Tuesday August 31 1982 هاكنامن التحمل

*** 30p 5 : ridis



NEWS SUMMARY

GENERAL

Irish link in **Paris** arrests

Three people arrested in Paris this weekend were reported in Dublin yesterday to be members of the Irish National Liberation Army, the political arm of the Dublin-based Irish Republican Secialist Party.

In France, an Elysée Palace statement said Michael Plunkett, Stefan King and Mary Reid were being held in connection with alleged plans for attacks on British targets in Paris and The Hague. It was unclear whether the authorities suspect any connection with the spate of attacks in Paris, mainly linked with Middle East

The 1NLA is an illegal organisation in Brilain and Northern Ireland, but not in the Irish Republic. Page 2

TUC threat

Len Murray, TUC general secre-Len Murray, TUC general secre-tary, said yeslerday the indus-trial action taken so far in the rates sharply, despite the National Health Service had to be stepped up to persuade the Government to listen. Back Page

Carnival success

London's 17th Notting Hill Carmival went off with a flourish this weekend attracting record crowds. Few people were arrested mostly for minor

China congress

The 12th Congress of the Chinese Communist Party which begins on Wednesday is likely to cal for the re-registration of all party members. .. Back Page

Talks cancelled

Iraq has decided not to go ahead with a meeting of non-aligned foreign ministers in Baghdad due to open later this

Belgium arrests

Belgian police arrested 10 people near Bruges as pro-testors stopped two trains carrying radioactive waste due to be dumped in the Atlantic.

Ingrid Bergman

Ingrid Bergman, one of Hollywood's biggest stars and winner of three Oscars, has died in London aged 67 following a long

29 runs to win England needs 29 runs to win the Third Test against Pakistan

with 4 wickets remaining. Drug control call

The UK Office of Health Economics has called for more the effects of new medicines.

Bulgarians held

The Mozambique Resistance Movement reported it was holding five Bulgarians and bad killed 10 government soldiers following attacks over the past two days.

Monster marrow Security guard David Payne of Tewkesbury Gloucestersbire, has grown a 105 lb marrow. selting a new world record.

Briefly . . .

Sebastian Coe set a new men's funken. 4 x 800 metres world record at Crystal Palace yesterday. The Soviet Union bas completed its first solar-powered village in Turkmenia, Central

Nahum Goldmann, a former president of the World Jewish Congress for nearly 30 years,

BUSINESS

TUC to tighten pension control

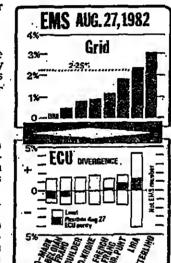
THE TUC is planning to bring workers' pension funds under close trade union control by persuading trustees to chal-lenge the orthodoxy of the funds' investment managers.

The two priorities will he to set a limit on overseas investment and to barness the funds for domestic industrial investment. Back Page

• VULNERABLE members of the European Monetary System, such as the French franc and Italian lira, showed a slightly firmer trend at the end of the

Earlier the franc come under pressure, and the foreign exchange market remained nervous throughout on fears of the franc's possible withdrawal from the EMS. The Bank of France sold D-marks as the Germany currency rose to a record level general downward trend in world interest rates, including cuts in the U.S., German, Swiss

and Dutch discount rates. The D-mark also touched a record against the lira, which continued to decline although it remained the strongest member of the EMS.



The chart shows the two constraints on European Monetary System exchange rates. The upper gid based on the weakest currency in the system defines the cross rates from which no currency (except the Xel may move more than 24 per cent. The lower chart gives each currency's divergence from the "central rate" against the European Currency Unit (ECU) itself a basket of European currencies.

• LONDON-GATWICK rail link scheme to be privately financed is expected to go before ministers in the next few weeks. Back Page

MIM HOLDINGS, Australian sleel and natural rerefined methods of measuring sources company, is raising A\$700m (£398m) by a new technique designed to draw institutions into long-term project financing. Back Page

• PRITISH STEEL Corporation workers at Scunthorpe fear that another 1,000 joh cuts will be

announced at the plant. • FRANCE'S Finance Ministry is believed to be preparing a FFr 10bn (£831m1 domestic hond issue to belp finance the

budget deficit. • WEST GERMANY'S Cabinet seems set to approve tomorrow a DM 1.1bn (£256m) loan guarantee for the strickeo

BL and Vauxhall-Opel are to follow Ford's example and cut the discount they give their dealers on new cars. Page 4

electricals concern AEG-Tele-

CIVIL SERVICE unlon leaders are proposing tight restrictions on local committees, which played a key role in the 21-week strike last year. Page 8

British day-trippers to Calais BARCLAYS National Bank, spend an estimated £30m-£50m South Africa's largest is to offer home mortgages. Page 19

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Race: Why it is harder to party congress; Education 14 start a business if you are Guernsey: No substitute black 14 for flowers 5 U.S. economy: Currency Technology: Maintenance-floating's failure 15 free copiers 11 Lombard: Max Wilkinson Management: Attracting on UK productivity ... 15 redundant professionals 12 Editorial comment: Chinese Survey : Malaysia Insert

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Government seeks to avoid revealing public sector pay indicators

SY MAX WILKINSON, ECONOMICS CORRESPONDENT

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 35; DENMARK Kr 6.50; FRANCE H 5.00; GERMANY DM 2.00; ITALY 1.1,100; NETHERLANDS H 2.25; NORWAY Kr 8.00; PORTUSALS

THE major plans to avoid disclosing its views on the likely increase in public-sector pay next year.

Last autumn it announced an official "assumption" that the public-sector pay bill would rise by 4 per cent this year. This "assumption," needed for preparation of public-expenditure estimates, was widely interpreted by the trade unions as the opening move in the Government's strategy for the 1981-82 public-sector pay round.

This year, however, Sir Geoffrey Howe, the Chancellor, is anxious to avoid revealing the Government's overall pay assumption for the public sector. This is partly because it has become clear to ministers that the same gambit could misfire in preliminaries to a general

The main difficulty is that any figure below last year's 4 per cent could seem provocative to the unions if inflation is running at the expected annual rate of 7 per cent to 71 per cent by late autumn.

election.

government plan to cut the real

BY MAX WILKINSON

meeting in London yeslerday. Mr Sbridath Ramphal, the

General called for a major international effort to revitalise

the world economy. The Inter-national Monetary Fund and the World Bank in particular should

He said the old era of inter-

"The economic internationa-

built, it is true, on the collapse of the 1930s. Must we stand

transfixed and helpless waiting

ing the world economy, estab-

promoting a world recovery.

Commonwealth

GOVERNMENT faces is feared, might stir the miners embarrassment over to discontent. Conversely, the Government

does not want to announce, or to see leaked, a pay figure for this year higher than last year's 4 per cent. This, it is felt, would give a quite false impression that the Government intended to relax its grip on public-sector pay.

Treasury officials, therefore have been examining the possi-bility of drawing up next year's spending plans in such a way that the vital figure is not revealed to the public.

One possibitity under discussion is that departments could be given cash budgets which had no provision for any increase in

public servants' pay.
The Treasury would instead put an extra sum into the Contingency Reserve, to meet pay increases after they were

This idea, however, conflicts somewhat with the spirit of the new cash-planning system under which departments are allocated a lump-sum to cover all their Il is likely the Government spending, including that on wishes to see public sector wage bills and capital projects.

A 3 per cent "pay assumption." for example, would departments must use some pay prohably be represented as a assumption for next year in order to plan the breakdown value of public-sector pay by 4 between their current and rate for the second year per cent. Such a construction, it capital spending. This figure running.

Ministers given warning

THE WORLD is on the brink. Mr Ramphal said the recent flation to make way for re-

at the opening session of their Unprecedentedly high interest and the 31 point cut in UK meeting in London yeslerday.

Tales now threatened countries short-term rates since last

creditworthiness

produced numbers of unem-

ployed not seen by anyone

under 50. In addition the fall

tries "so severe that they are

national co-operation in manage even the capacity for survival." the UK would pay its full £185m

sentiments only partly when he 1983.

Commonwealth bow grave the state of the ecomistic signs of the recent fall nomy had become.

mistic signs of the recent fall of interest rates in the U.S.

In commodity prices was pro-ducing foreign exchange deficits prevented, he lold the meeting.

depriving many an economy of World Bank and announced that

of 'economic disaster'

Secretary- been beyond question and had

of an "economic disaster" rescheduling crisis over comparable to therecession of Mexico's huge debts illustrated

play a more vigorous role in for most of the developing coun-

Finance Ministers were warned nomy had become.

would have to be supplied by the Treasury and might well become public knowledge.

The Treasury is faced with the further difficulty that last year's 4 per cent figure was partly an assumption for planning purposes, partly an esti-mate of the final outcome and, most importantly, an opening bid. Its estimate of the out-come may differ considerably from any published assumption.

The Civil Servant's pay scattlement this spring, for example, was for an increase of 5.9 per cent, and total public service pay settlements have averaged between 6 per cent and 7 per cent.

In the economy as a whole this year, settlements bave averaged a little over 7 per cent and earnings have increased at an annual rate of a little under

The Treasury's best estimate for next year's pay increases is probably about 5 per cent or 6 per cent, similar to its assump-tions about inflation.

of the range. It is not expected, however, to be planning for public sector increases to be held a long way below the going

He pointed to the more opti-

Continued progress in reducing interest rates would,

however, depend on the surcess

with which a resurgence of in-flationary expectations could be

Sir Geoffrey cautiously

defended the record of the

CBI says worldwide slump will continue

By Max Wilkinson,

A CONTINUING slump in the world economy and almost no growth for the UK this year are forecast loday by the Confederation of British Industry in its latest Situation Report.

The CBI outlook is even more gloomy than the warnings of eronomic stagnation which followed its quarterly survey of industry last month.

Since then companies have reported increased pessimism ahout export orders and a greater tendency to believe stoe, levels are too high as well as slightly worsening prospects for

output.

The only cheerful aspect of the CBI's latest monthly inquiry of industry is a further indication that inflation will be

Reports from the regions generally confirm the view that there will be little increase in economic activity for the rest

of this year. On the basis of its surveys and the recent rather gloomy official statistics for output, stock levels, capital spending and imports, the CBI is now forecasting that total UK output this year will be only ! per

cent higher than lost year.
For 1983, it is now forecasting growth of only I.5 per cent compared with itse prediction of 2 per cent published in the

One of the main reasons for the more pessimistic outlook is the worsening prospects for exports as a result of the continued depression of the world economy. The CBI now believes exports will grow by only about t per cent this year and 1! per cent next year compared with a growth of 6! per cent la Imports this year and a per cent

However, it believes that in-flation will come down to an appuish rate of about 7 per cent by the end of this year, and that this lower-than-expected rate will boost consumer spending by about 1? per cent in real terms next year.

It is also expecting some confribution to growth next year from a rebuilding of stocks after a further small reduction of their company. stock levels this year. Companies' real profitability

is expected to recover from an average of 2.8 per cent last year to about 4 per cent this year, but the CBI points out that this compares with about a per cent at the bottom of the 1975 recession and more than 10 per cent throughout most of the ing the world economy, estab-lished at Bretton Woods after Chancellor, who was chairman loans arm, the International the war, had now vanished. of the meeting, echoed these Development Agency (IDA) for

Continued on Back Page South-East optimistic Page 4

Police mass to crush Solidarity demonstrations

BY OUR FOREIGN STAFF

Poland's major cities yesterday. ready to snuff out mass demonsecond anniversary of the founding of the Solidarity trade union today

Dozens of armoured personnel are stopped. carriers, water rannon and police trucks were moved into Warsaw's main equares and other areas designated gathering points by Solidarity's underground leadership.

Helmeted forces, from squads with eroud dispersal training. patrolled some main streets. Heavy police activity was also reported in the port city of dansk, the union's birthplace, Szeczecin, Wrocław and Krakow, PAP, the official news agency, published a reminder yesterday,

warning anyune planning to follow the Solidarity call to demonstrate, that all demonstrations, marches, public meetings, protest; and strikes are banned The report, which was expected to be published in today's official Press. listed

penalties, including prison tion, terms, for riolations. inciting people in cause dis-jurbances could face up to 15 years in jail, Renter reports. Organising a strike or distri-huting leaflets with false information could draw a fire-year term.

Grave warnings about possible eruptions of violence at the demonstrations and even a subsequent armed uprising, which have been made hy ministers and newspapers in the last week, were replaced by appeals for prudence in yester-

The milder line followed a by minitary ruler Wojciech Januzelski televised on Sunday.

POLICE went on the alert in peace and hard work. Yesterday the authorities restricted the sale of alcohol strations called to mark the for the next three days, and Poles have been queuing at petrol stations in advance of today's anniversary in ease sales

> Solidarity's leaders have called for people to gather at main squares in Poland's industrial cities this afternion, to display continued support for the union more than eight months after it was suspended under martial law.

They have also said, in scattered leaflets and bulletins, that the demonstrations are to back their demands for a renewed dialogue with the Communist authorities and that, if the protest call is ignnred, it could show the underground is broken.

Last week government leaders mounted a campaign of speeches and Press articles saying the organisers were preparing weapons and intended to stage a general strike followed hy a possible armed insurrec-

Yesterday's Press timed down It said thuse found suitty of this engraceh. "A responsibi-citing people in cause dis-tribunces could face up to 15 every single citizen," the Communist Partty's daily Trybuna Ludu seid. The papers carried warm praise of the August 31, 1980

accords, which ended a summer nf worker unrest and opened the way for Eastern Europe's first independent trade union. The country is again in need of the social will which gave birth to the August agree-ments," wrote the normallyhardline army daily Zolnierz

Wolnosci. The milder line followed a comparatively restrained speech that the agreements reached two years ago lomorrow began a process of social and socialist He said the anniversary should renewal which must not be

Bendix shares suspended BY RICHARD LAMBERT IN NEW YORK

week.

lerday as directors of Martin Sibn. slder Bendix's \$1.5bn offer for

The suspension reportedly came at the request of the Martin Martetla board, leading to renewed speculation that the company might be contemplating a retaliatory takeover offer for Bendix itself.

TRADING IN Bendix Carpora- last week. At that price, Benlion's chares was suspended yes- dix is capitalised at more than

Bendix has been diversifying its engineering activities away from the automolive sector for acquired about 4½ per cent of Marlin Marietta's stock before the offer was announced last

Beodix's shares up to \$57 before the suspension, compared with about \$51 when it analysis. Martin Mariette is a leading about \$51 when it announced MN missile. It is also a major its bid for Martin Mariette, a producer of cement and had a diversified aerospace group, large chemicals interest

for a new collapse, a new depression before we summon forth a new internationalism?" However, he emphasised the contribution previously agreed cootinued need to cut in for 1981-83. Bonn renews criticism of U.S.

BY JONATHAN CARR IN BONN

VEST GERMANY has renewed its criticism of U.S. develop-menr aid, trade policies and hudget - just before the annual meeting of the World Bank and International Monetary Fund in Toronto at the weekend.
In an article released here

yesterday, Herr Manfred Lahnstein, the Finance Minister. made clear the U.S. could expect pressure at the meeting in all three policy areas. He welcomed the recent decision by Washington to in-crease taxes as "a step in the right direction" — but he in-dicated more was needed if U.S., and bence world, interest rates were to continue to fail.
U.S. monetary policy needed atronger support from budgetary policy, Herr Lahnstein said. On interoational lending, the

It was clear that the Reagan West German Minister added, approach to its predecessor- gonise," he said. needed some time to determine at the meeting Mr Jacques ts policy course, Herr Lahnstein said. But it would be Minister, dismissed rumours dangerous if it came to a block-ing of important international ing leaving the European Mone-decisions." not least after the tary System or devaluing the hroad accord on IMF and World franc again. He said the Bank matters already reached rumours were unfounded. at the Western Economic A further reduction Summit in Versailles in June. interest rates was singled Herr Lahnstein also said Bonn by Ministers as a key factor shared Washington's view that which could improve

in everyone's interest.

U.S. had not made clear its at an informal meeting in All countries expected unconstitute on an increase in IMF quotas, and wanted to cut its for further and "durable" year, with the exception of the share in the International reductions in U.S. interest rates, UK, which hopes unemploy-Development Association (IDA). Hilary Barnes writes. But, the ment will level off.

Administration—which had a there would not be any Warn-hasically different economic ings. "We are not out to anta-

A further reduction in interest rates was singled out

free and fair world trade were economic climate, which was EEC Finance Ministers agreed things would improve in 1983.

n everyone's interest. viewed with general gloom by In Denmark yesterday, how- all the EEC's finance ministers. ever, Herr Lahnstein sald the They agreed that there would European Community did not be no unturn in the European inlend to harrass the U.S. economy this year, and hoped, Administration.

Shake-up at Continental Illinois

BY PAUL TAYLOR IN NEW YORK

a result of the Penn Square U.S. banking.

ment with Oklaboma City's Penn Square Bank from which yesterday sacked Mr John Lytle, the vice-president who headed the oil and gas division. The division was mainly responsible for the Penn Square loans.

CONTINENTAL ILLINOIS, the first phase of an internal in- assigned several jobs. Two Chicago Bank, yesterday an- quiry into the impact of last senior bank officers are to nounced a management shake month's Penn Square failure retire. up of its oil and gas group as which sent sbock waves through

must be taken to reinforce both interests. the discipline and the manageit bought \$1bn in energy loans, ment structure of Continental Illinois and our actions are responsive to this requirement."

resignation of a number of oil control mechanisms should be The changes came after the and gas group officers and re- improved.

Mr Gerald Bergman, an executive vice-president in charge of the bank's industries Bank collapse.

The bank, which reported a \$61m (£35m) second-quarter loss as a result of its involvemore with Oblehan Collabora and the shown that strong measures to be shown that strong measures

> Mr Anderson said a second review phase would concentrate on Continental's lending policies and practices. He said the The bank has accepted the first had shown that certain



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French police arrest **INLA** suspects in Paris suburb

BY DAVID MARSH IN PARIS

FRENCH authorities appear to have scored a preweekend of three persons suspected of being members of the Irish National Liberation Army.

The swoop, made by a crack squad of the National Gendarmerie Intervention Group, was hailed in a dramatic though sketchy communique from the Elysée Palace nn Salurday

President Francois Mitterrand has staked an important part of his political standing on Government measures to track down the authors of the wave vision interview to mid-month, of topposite attacks which have he announced his personal determinant to confront terrorism. of his political standing on

and a woman, named tale yes, security, terday as Michael Plankell, Another fruit of increased Stefan King and Mary Reidwere being held in connection with steeped plans for attacks un-British targets in Paris and The

whether the authorities suspect any connection with the recent spate of terrorist attacks in the capital, mainly linked with Middle East disputes.

In the worst incident, on August 9, six people were killed liminary success in the fight in the city's central Jewish against terrorism following the quarter in one of a series of arrest in a Paris suburb at the attacks on Jewish and Israeli

Ten days ago a bomb neur the Eiffel Tower killed a police bomb disposal expert. It was helieved to have been aimed at a U.S. embassy official living

President Minerrand has seen night as an "important" his popularity in the opinion polls drop sharply since the start of the new wave of attacks. -which have coincided with a period of gloom on the econ-

but Paris over the past six minution to confront terrorism. and unveiled a string of toughened Government Last night it appeared that toughened Government the three trish people—two men measures aimed at reinforcing

police surveillance may have been the separate arrest at the weekend in Paris of an alleged Italian terrorist. Oreste Scalzone, sought by the Halian The Elysic Palace statement authorities for several years. said that documents and explo-sives had also been seized in INLA members, while welcome the raid. But it was unclear as a sign of efficiency in antireopened old wounds in the traditional running battle he-tween members of France's domestic security forces.

Thomson group shake-up may strengthen new chief

BY OUR PARIS CORRESPONDENT

top of France's nationalised would make no comment—the Thomson group looks likely to hand-over is expected to be strengthen the hand of M made at a hoard meeting on Alain Comez, the dynamic left- September 8. winger appointed by the Government in Fehruary lo head the sonnie, a member of the "old electrical goods-10-arms con-

over key state-owned industries whose investment and research economic future.

group's electronics and military

pany, Thomson-Brandt. ports in Paris-on which the telephones

A PERSONNEL shake-up at the company yesterday ufficially

guard" of French industry, who has been with Thomson for The move is a further step in the Socialist Government's 30 years and lirst hecame chairman of Thomson CSF in 1976, would come as no surprise would come as no surprise,

M Gomez, a co-founder of the decisions are seen as increas- lef-wing Ceres group, at 43, ingly important to France's already has a successful career conomic future. in the civil service and industry M Jean-Pierre Bouyssoonie, behind him. His elevation to the the present chairman of the dual chairmanship of the two Thomson companies would assist arm Thomson CSF, is expected Government plans for a radical shortly to resign his post and re-organisation of the group, hand over to M Gomez, already which made a consolidated loss chairman of the parcot com- of FFr 180m (£18m last year) primarily due to difficulties in According to newspaper te- the television sector and in

West Germany set to approve AEG guarantee

BY JONATHAN CARR IN BONN

THE WEST GERMAN Cabinet the opening of court proceedings seems set to approve tomorrow which would allow it to write off a DM 1.1hn [£238m] loan 60 per cent of a crushing debt guarantee for the stricken hurden rotalling more than concern. AEG DM 5hn

Telefunken.
Count Otto Lambsdorff. the Economics Minister, sald in an DM 600m in guarantees for loans interview published today that the would recommend approval export lusiness. But before approving a further DM 1.thn in that the laender (the provincial guerantees, it states) themselves supported the guarantee action, and that the hanks stood by their credit promises to AEG.

guarantee action, and that the ing the proposed court selflement proceedings stood a real change of being successful.

laender, it is felt likely that Ministry last Thursday - and both Count Lambsdorff's condi- proved generally positive. tions will, in fact, be met.

rupley.
AEG applied on August 9 for all.

The Federal Government has already agreed to provide needed an auditor's report say-

still gning on about the guaranice hetween Bonn and the laender, it is felt tiled.

A 50-page report from the auditing concern. Treuarbeit, was received by the Feet tiled. Bonn now wants from the

Approval by the Cabinet will lander agreement to cover one open the door to further credit half of the DM 1.1hn with for AEG and raise hopes that a court settlement can he lems have arisen in finding a reached which avoids bank formula for sharing out the hurden in a way acceptable to

Reagan faces new budget showdown with Congress

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

President Ronald Reagan faces to aid low-income students, the a tough new hudget showdown with Congress, only 10 days after he rallied an unusual coalition of mainstream Repub-

By vetoing a "budget-busing" S14.1nn Supple-mentary Appropriations Bill at he weekend. Mr Reagan has ensured that he will again have to come from behind to amass the voics necessary to sustain the veto. It can be overturned by two-thirds majorities in both House and Senate.

With Democratic leaders recusing Mr Resgan of making war on Congress through his veto power, the tax Bill malition has vanished almost as quickly as it came together. Mr Roagan clearly hopes that to will reassure the Right-wing House. Republicans, who rehelled Mr Reagan helieved that Con-against the Bill, by taking gress would have to move 1 tough anti-spending line which he also believes to be politically popular in an elec- ment of military pay is due. !

ilmost \$1bn too much in funds forces' pay due on August 31.

poor and the elderly, while his request for defence funds had heen cut by over \$2bn.

Another victim of the veto realition of mainstream responsible and Democrats to pass his sp8.3bn tax bill.

By vetoing a "budget busine" S14.1nn Supple- which was attached to the Bill. Mr Reagan appealed to tiongress to restore the funds in a revised Bill, but there will he coosiderable reluctance to do so on Capital Hill at a time of severe cutbacks in domestic pragrammes.

The White House said Mr Reagan expected Congress to "act expeditiously" to approve a new Bill when it relurns from the Labour Day recess next Wednesday, Officials were reasonably confident that they could sustain the veto in the

quickly to meet a September 15 deadline, when another instalwas only by an unprecedented Mr Reagan said in a nation- once-only piece of accounting side radio broadcast at the juggling that the Administraseckend that the Bill contained tion managed to find funds for

Warsaw fears coal earnings weakening

By Leslie Colitt, recently in

POLAND'S exports of enal this year, the country's main hard currency earner, have already exceeded all last year's shipments, but Poland is encountering stiff competition from the U.S. and other coal exporters in its tradi-tional Westernin arkets.

Doubts are also being expressed whether it should rely sa heavily on coat and other raw materials to earn convertible currencies with which to pay off the country's \$25hn

Poland exported 16.1m tons of coal until August 10. of which 7.1m went to other Comecon countries and 9m to the West. Coal shipments last year slid to only 15m tons, compared with a record 41m 100s in 1979.

Mr Jerzy Malara, the deputy minister of coal-mining, said this year's target is to export 28m to 30m tons of which 12m

28m to 30m tons of which 12m will go to Comecon and 18m to Western Europe.

Ar Malara said achieving this goal in the West will be difficult as Poland had "lost many markets" to other coal exparting countries and must regain the confidence we

The Polish official said U.S. coal exporters had moved into France. Austria and Scandi-navia, where British coal was also being sold, after Poland was unable to fulfill its contracts. He said even South African coal had heen delivered to Western Europe. Mr Malara noted that Wes-

tern markets are glutted with coal, while the depressed steel industry makes coking coal equally bard to sell. But he said the price for Polish coal —an average of \$65 to \$68 per ion-is the same as last year and that no dumpling is taking place. Western commercial sources said the price of Polisb export enal was lowered to meet the changed situation of Western markets. The deputy mining minister

maintained that over the longer term the outlook for Polish coal exports is good, Pollsh coal is low in sulphur and Poland could land coal cheaper in Western Europe than the Americans, hecause of its lower transportation

He said Austria, with whom Peland has a long-term agree-ment to supply coal, has ahandoned its nuclear energy plans and has turned to conventional coal generaled

However wilbin Poland. there is now a growing dehate whether the country should continue to rely so heavily ou exports of coal, copper, sulnomisis point out that the other raw materials has greatly increased in the past two years.

Falling orders hit U.S. machine tools

By Paul Taylor in New York U.S. MACHINE tool orders, a key indicator of the health of the economy, fell a further 14 per cent last month mainly because of a dramatic cullapse in overseas orders.

The latest figures from the National Machine Tool Builders Association show that orders from U.S. and overseas companies fell to \$107.75m last month from \$125.9m in July and \$192m in the same month last year.

Despite a 6 per cent increase

In U.S. company orders which grew from \$84.4m in June to \$89.2m in July, orders from overseas companies slomped. Foreign orders fell from \$41.5m in June to \$18.6m in

July.
The latest figures mean that total orders in the lirst seven months of the year at \$997.2m have fallen about 50 per cent compared with the same

period last year.
Mr James Gray, the association's president, said the July decline had been expected in view of the continuing recesslon and added that economic coodlions were "not con-ducive to a return of conlidence or huying enthusiasm."

Officials of the United Steelwurkers Union have agreed to consider proposals by the major U.S. aluminium companies to alter the current three-year contract, which is not due to expire until next May. But the industry's request for talks has been rejected by the other union involved. the Aluminum. Brick and Clay Workers International.

The three main enmpanies -Aluminum Company of America, Reynolds Metals and Kaiser Aluminum-will he putting their proposals to the Slechwarkers Union this week. On Friday, leaders of the aluminium locals will vote on whether to make concessions to ease the industry's current problems.

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Party admits shortages and dissent in nationwide telex. Christopher Bobinski reports

Poland steels itself for anniversary protests

GENERAL Wojciech Jaruzelski's problems controlling Poland's working class would be greatly eased if people's everyday needs could be satisfied and shortages could he reduced.

This is the official Communist Party view, circulated last week as the military Covernment steeled itself for today's second anniversary of the Gdansk Agreements which led to the formation of the Solidarity union movement.

It was the over-riding message contained in an official tele:: sent around the country from a provincial party headquarters. which also admitted widespread activity by Solidarity supporters. fiver the last two years, rankand-file Party members have been demanding more informa-

the Central Committee every day. In this particular case, Party members were informed last Thursday that "even though appeals for people to take part in hostile demonstrations are meeting with scant success, they do, however, give rise to an

tion of what is going on and

reports like this are sent out by

IN AN apparent attempt to avnid provoking Poles on the eve of demnustrations called today by Solidarily, the Polish authorities changed direction in their propaganda campaign yesicrday, irusting that earlier efforts at scaring people into not attending bad been effec-tive, Chrisinpher Bobinski

reports from Warsaw. Police patrols were untice-ably thinner un the ground, in Warsaw at least, and commentaries in the Press repre-

not they heighten tension.
"There are still cases in many provinces of bostile propaganda activity in the form of slogans (on the walls) leaflets and bulletins. Many of them contain calls for people to demonstrate on August 31 by going on marches, assembling or going to

Church services," the telex says.

More concretely, a growth in
tension among workers is reported in the province of Peznan, Tarnobrzeg in the south east and Ziclona Gora in the west. This is put down to atmosphere of anxiety and fear people reading leaflets, and Radio went on the air for ten as 10 the way things might listening 10 Radio Free Europe, minutes last Tuesday, calling develop and more often than the Munich-based U.S. funded for demonstrations today

aented the accords with workers signed two years agn development which had gone wrong thanks to the efforts of "cuemies of socialism." But these agreements could still be the basis of future, illdefined, democratising re-forms, the commentaries said. However, in a speech at the

weekend in graduates from the military academy in Poznan, General Wolclech Jaruzelski narrowed down the freedom

radio station and passing the information among themselves." Intrigingly, the situation in Lublin Province is described as "calm" although the telex says this is "probably being simulated." It is also laconic about

surrounding area." In Poznan, however, where the document says Solidarity

Wroclaw, where fighting has broken out in past months, and say no more than that the situation there "is difficult in a number of factories in the town and

of manoeuvre of any future unions by saying that they would be "independent of the administration," meaning the government, and thus by implication not of the Communist party. He called for calm and implied that the authorities would crush any

demonstrations.

Meanwhile on Sunday, church congregations heard a bishnps' letter which called for a resumption of talks with Solidarity

"there are no indications that there will be strikes and demonatrations in the factories."

The authorities are expecting trouble, bowever, even in small towns. As the telex says, leaflets have been distributed in Szczytno (23,000 inhabitants), calling for a mass meeting in the local square.
In Krakow, the telex says

Solidarity supporters put up a memorial plaque commemorating the Gdansk agreements in the town square. "It was taken down an bour later without any

In Warsaw, Party activists day econ were expecting bus drivers to together.

on August 31, using the poor state of their tyres as an

excuse. The telex notes that indeed 3,000 tyres used on Warsaw huses are exceedingly worn.

In Olsztyn leafiets calling on workers from the Stomil works to march to the former union headquarters have been distrihuted. The telex says marches

are also being organised in

Radom. But throughout the country, the telex says "the basic topic of conversation is the unsatisfactory state of supplies of food and durable goods in the shops and the rise in the cost of living."

In Tarnobrzeg "the queues for meat begin to form at 3 am and 4 am in the morning. There are also queues for children's footwear.

Speculation, the telex says, is uniformly unpopular.

At the Gdansk Lenin Shipyard the two themes in the document of agitation by "hostile elements" and day-today economic problems come

Iraqis bomb

By Oor Foreign Staff
IRAQI AIRCRAFT bombed
Iran's gulf oil terminal on Kharg

Island yesterday setting it ablaze and inflicting heavy damage on oil installations, an Iraqi military spokesman said

in Baghdad.
The spokesman said the

Iranian oil

terminal

Air of impermanent peace hangs over vulnerable Bekaa Valley

Valley in eastern Lebanon, black goats graze, the Syrians Aside from them, there is little hold the village of Ghazze, from else to mark where the two which rises the white spire of a armies are waiting to see if Mr Menahem Begin, the Israeli Prime Minister, will try to evict by force the 30,000 Syrian troops from the third of Lebanon they still hold.

In the first week of the war, the Israelis burst into the south of the Bekaa, the northern extension of the great rift valley which ruos down to the Red Sea. After savage fighting around Lake Qaraoun at the southern tip of the Bekaa in June, they forced back the Syrian armonired brigades to a position some 20 km south of the Beirut-Damascus highway. Empty Syrian bunkers, dug into the mountainside, still gape

beside the road.

There has been no serious fighting in the Bekas since that time. A little north of the village of Joub Jannice, the Israelis hold a half-completed hospital. line troops say they have seen will be immediately closed by artillery and air attack. The built on a low hill in the centre of the plain. Buildozers are at Mustapha Tiass, the Syrian the event of a renewed war, permanence, which nobody exwork heaping up the ramparis. Defence Minister, confirms that The Syrians would have to respect to last for very long.

Mr Peter Massie, the Perth

thief officer of the attorney-

general's department in Can-

berra.
Their suspensions are the

first actions taken by the Government following last week's report by a Royal Com-

mlssion inquiring into the offsirs of the Australian

Federated Ship and Painters

In addition to cataloguing

maynem and maimings, the

rupor: uncovered a decade of bureaucratic bungling which

and led to the proliferation of

ax-avoidence schemes through-

nd Dockers Union.

out Australia.

charged over fraud case
BY MICHAEL THOMPSON-NOEL IN SYDNEY

A SENIOR public servant was O'Sullivan deliberately stalled

suspended in Perth yesterday investigations of tax avoidance.

and charged as the officer and alleged that Mr Bercove ran responsible for the alleged a call girl racket from the involvement of the Attorney-General's department in the spread of lax fraud.

The opposition Australian Labour Party (ALP) criticised to the proposition of the party (ALP) criticised to the p

deputy Crown Solicitor, together It said Mr Massie was "compara-with Mr Sean O'Sullivan, his tive small fry," and demanded

principal legal officer, and Mr disciplinary proceedings higher

Much of the blame has fallen However, the federal executive

and 1980.

Abraham Bercove, were up the hierarchy, suspended and charged. The The Labour Pacharges will be heard by the tax avoidance and

THE BURNT-DUT remains of while a few Israeli Merkava he is despatching reinforcetwo Syrian armoured personnel tanks squat behind the hill. A ments to Lebanon. It is doubtcarriers mark the Israeli army's mile or so away, across an open fut, however, If more Syrian forward line in the Bekaa field, where a large herd of minaret undamaged by periodic bom oardment, While the ceasefire holds, the

Israeli lines have a lackadaisical Joub Jannine is decorated with Lebanese flags, and posters of the youthful features of Mr Gemayel, the newly-Bachir elected Lebanese President, nobody has yet to though pictures of Ayatollah Khomeini. Israell soldlers hitch-hike backwards and forwards from their units, their freedom of movement indicating that guerrilla activily against them is considered negligible. Yesterday, however, an Israeli soldier was injured by a landmine a mile to the east of Joub Jannine.

The Israeli Government has said that the Syrians are reinfarcing their positions. Front

yesterday's action as inadequate.

The Labour Party helieves. tax avoidance and evasion in

Australia is costing up to A\$7bn

a year 1£3.9hm). Last week's report found that the country had suffered a "major fraud on its revenue" between 1973

The scandal has gravely

emharrassed the government of

Malcolm Fraser, Prime Minister.

and neutralised any chance of

his calling a snap general elec-

tion to capitalise on the electioneering aspects of his

The cabinet meets in Adelaide

this morning to discuss retro-

spective legislation which it hopes will recoup lost taxes.

on the Crown Solicitor's office of the Liberal Party indicated and on the Attorney-General's late last week that it objected department. The Royal Comin principle to retrospective mission elaimed that Mr laws.

August 17 budget.

Australian public servants | Mexico promises oil as

tanks and Infantry will make much difference to the military position io the valley. For the Syrlan armoured brigades, it is a death trap. The Bekaa is more like a vast canyon than a valley. seven or eight kilometres of flat land and then the mountains soaring up to over 6,000

feet, to the west, The Syrian positions are all overlooked by Israeli observation posts on Jabal al Baronk on the western side of the valley. From a half-completed ski resort on the mountain top, Israell soldiers can see the whole valley laid out at their feet, like a big-scale map, Even looked

alr superiority, After crossing the Bekka

Details of the pledges were

the credit was the main reason

bebind the delay in finalising the operation, which was only

Bankers said yesterday they boped the finalisation of the

three month credit, which can

be extended for up to a year,

will go some way towards alleviating Mexico's acute sbort-

age of foreign currency. In recent days it has been virtually

impossible for the private sector

to obtain dollars in Mexico, even

at the preferential rate of 49.50

Meanwhile, the advisory com-

spear-heading deht rescheduling

completed on Sunday.

security for BIS credit

BY PETER MONTAGNON IN LONDON AND WILLIAM CHISLETT IN MEXICO CITY

not disclosed, but it is under-stood that legal wrangling over the use of oil as a security for



Bachir Gemayel ... posters in place but Khomeini yet to be removed.

treat north up the Bekaa Valley, along the narrow road past the temples of Baalbek, or the Syrien hill positions on the into the steep hills covering opposite side of the Bekka pro-tecting Damascus are over-would be inevitable...

ooked. For the moment, there is a In addition. Israel has total phony-war, atmosphere. The people of the Bekaa, mainly After crossing the Bekka farmers, pass along the road valley, the Belrut-Damascus road between the two sides. But the enters a narrom defile on its armies are very close, and their way to the Syrian capital. This positions very vulnerable to

providing half the \$1.85bn credit

from central banks with the

remainder being made available by the Bank for International

Settlements with the guarantee

of other leading industrial

Netherlands. Sweden, Beigium

Main participants are the

countries.

operation was in retaliation for Iran's shelling of Iraqi cities.
Iran's oil exports have been more than halved following Iraq's earlier attacks on Kharg Island and its warnings to tankers to keep clear of the area, the Middle East Economic Survey (MEES) reported on Survey (MEES) reported on Sunday. The well-informed weekly, based in Nicosia sald Iran's total exports had dropped to about 900,000 barrels a day. compared with a peak of 2m h/d

in July. in July.

Damage to the Kharg facilities might have been relatively light, high the uncertainty created by the raids and Iraq's repeated warnings had frightened of many tankers and caused steep rises in freight and insurance rates. MEES said

Total freight and insurance costs for Tranian crude could work out at something like \$3.25 to \$3.65 a barrel, compared with about 80 cents a barrel for other Gulf crudes. attack on August 18 put out of action a loading facility fairly close to Kharg Island

This was capable of accommodating tankers of up to 200,000 tonnes; The attack caused damage which would take two or three weeks to

MEXICO has pledged some of repayments amounting to some its 72bn barrels of oil and gas \$10hn, had met with a good reserves as well as its holdings response from the banking com-of International Monetary Fund munity generally.

Special Drawing Rights (SDRs) But in a telex to other banks, as security for the \$1.85bn the committee, whose number repair. Kim Fuad adds from Caracas: Mexican oil exports will not exceed an average 1.4m b/d this year, Mexican officials have told, the Vegezuelan Governemergency credit it is receiving has grown to 14 through the from the central baoks of leading inclusion of Swiss. Bank. Corping industrial nations. that have not replied formally

ment.
These assurances were made to Sr Humberto Calderon Berti, the Venezuelan Energy Minister, by his Mexican colleague. Sr Jose Oteiza

Portugal to open currency market

PORTUGAL'S first foreign ex-change market will open in Bank of Spain with \$175m, West Germany. Canada and Japan for the Treasury, writes I and with \$150m apiece and the UK Smith.

with \$140m. The remainder is guaranteed by the central banks the Bank of Portugal, will be Switzerland, France, the developed in four stages over the relands. Sweden, Belgium the next three years—the period when Fortugal will be making and Italy. when Fortugal will be making
The credit can be drawn in intensive preparations for EEC Meanwhile, the advisory com- three instalments in line with accession and when its heavily-mittee of commercial banks Mexico's progress towards an controlled monetary and curagreement with the IMF allow rency system will have to beh

talks with Mexico, reported to ing it to draw some \$4.5bn over liberalised.

other bank creditors that the next three years. It is The new market will be for Mexico's request for a three intended as bridging finance internal use only until June month moratorium on principal until this IMF credit becomes 1983.

Spanish poll date aims to thwart opponents

THE SPANISH Parliament middle of the election cambas formally dissolved yester-day as the first stage in preparations for early general elections on October 28. The dissolution of the second democracy in 1975 was announced on Friday by the Sr Leopoldo Calvo Sotelo, the Prime indicate of the election cambas and the family, abortion and educations between the family abortion and educations between the establishment of democracy—the calvo Sotelo, the Prime indicate of the election date because of its coin date because

Atthough the move had been widely expected, many deputies of all parties believed that the 350-seat Parliament would re-convene, albeit briefly, after the summer recess to tie up outstanding business. The principal business excluded are the statutes for the autonomy of he tackled, touches on the against Sr Suarez and his new four regions — the Balearic highly sensitive issue of State party which desperately needs Islands. Castilla-Leon. Extre- support for private- and Church extra time to organise. This is. madura and Madrid.

The diggest polemic provoked hy Sr Calvo Sotelo's decision surrounds the projected visit formed Democratic Centre the purely practical consideration make deals later.

Weekend the projected visit formed Democratic Centre the purely practical consideration make deals later.

Weekend the from October 14-22 in the Suarez, the former Premier, majority was completely eroded.

Party (CDS) of Sr Adolfo tion that his parliamentary The Socialists are expected to would call a place most emphasis on a change membership

lisbmeni of democracy — the relationship between Church and Stale. For instance, one of the laws which was dropped frnm parliamentary legislation because the ruling Union de which have deserted the UCD Centro Democratico (UCD) in recent months from consolicould not agree among themselves concerned university

controlled higher education. The Communist Party, the Socialist Party and the recently

autonomy. This law, which must

sideration in opting for October 18, effectively the earliest date possible under the constitution,

possible under the constitution, bas heen to prevent the groups which have deserted the UCD in recent months from consolidating themselves as parties. In fact, some see in the move an element of personal vendetts against Sr Suarez and his new But Sr Suarez insists.

alliance with the newty formed nationalist parties, and suspended pending an appeal to the Constitutional Court, the reform of military justice—a law permitting divorce, and subjust the Right-wing anti-terrorist legislation permitting controversial police detendance.

But Sr Suarez insists. The sole major discovered party which desperately needs fraga. But Sr Suarez insists The sole major disagreement extra time to organise. This is the will stand alone with his CDs arose over membership of Nato the party likely to do most while the Socialists, tipped by earlier this year. Significantly, damage to the UCD at the polls to win, want to at and Sr Felipe Gonzalez, the Socialist slope. reserving the option to leader made is clear than the continuous control of the sole of th

will need to find partners. The monising regional autonomy, UCD will probably accept an still contested by the main alliance with the newly formed nationalist parties, and sus-

Sr Calvo Sotelo also faced alone, reserving the option to leader made it clear over the make dears sater.

The Socialists are expected to would call a referendum on Nato weekend that the Socialists

% change

European Dp Rev FY '80-81

(in accounting

European

Cal Yr

Textile exporters face split

Community's tough attitude towards developing countries' textile suppliers could prevent those countries from uniting sufficiently to squeeze more concessions from the EEC next

The Third World's main exporters of textiles and clothing hegan week-long talks in Geneva yesterday on the Multifibre arrangement (MFA), concluded last December.

Several delegates emphasised the urgent need for developing countries to reach a united front before the final phase of bilateral negotiations with the EEC starting next month to reach separate agreements on exports to the Community under the MFA, the world textile

But about 14 countries have aiready signed such bilateral agreements, increasing the isolation of the large exporters Hong Kong and South Korea. the Third World partly because Community's

THE EUROPEAN Economic of suspicions that the large mechanism, which would preexporters might be using smaller vent large jumps in exports exporters, which have fewer from one year to the next. They quarrels with the EEC, to strike also oppose the Community's deals favourable to themselves insistence on placing import while neglecting the interests of curbs without providing justifi-

It is thought Hong Kong, South Korea and Singapore threatened to pull out of the have started to reduce the size MFA if Hong Kong and South of their textiles and clothing Korea do not accept large cutindustries as they move to backs. sophisticated exports such as electronic goods to fuel the next said yesterday they are deter-step forward in their indus- mined to force next November's

In contrast, textiles and positions in negotiations with World solidarity.

The main complaint by Hong the MFA's already restrictive Kong and South Korea against terms, they add. the EEC is that it is trying to increase the size of quota also like the ministers to pre-reductions. The main complaint vent MFA style agreements from of other exporters is against the spreading to other industrial Community's "anti-surge" sectors such as steel.

cation beforehand

Community The Third World exporters

ministerial conference of the General-Agreement on Tariffs clothing remain key growing and Trade (Gatt) to move sectors in such countries as against the MFA. They argue India and Brazil which may that the MFA has already lasted have preferred more flexible more than a decade, although it was a temporary derogation the Community, were it not for from Gatt's free trade rules. To the desire to maintain Third make matters worse, the Community is departing even from

Developing countries would also like the ministers to pre-

Turkey moves on T-shirt war

Turkish Minister of State for external economic relations, said he was planning a visit to Brussels at the end of Sep-tember to resolve the "T-shirt war" between Turkey and the

Mr Pasin said, in an interview, that as associate member of the community Turkey expected to be treated "better than other

"It could not tolerate the ban placed on the import of Turkish r-shirts and similar knitted

The ban, which the Com-

Toshiba signs

and electrical engineering products to the same value.

E. German

MR SERMET PASIN, the new munity said was imposed to reciprocated on EEC curb the flood of T-shirts, was introduced at the end of last reached for Ankara to limit its month and will remain in effect until October 15. Turkish exporters claim their losses could be as much as \$300m (£172m) and the damage to the clothing industry, the country's

> "I believe we can reach some sort of an agreement," said Mr intend to fulfil their promise to restore parliamentary rule by continues we will have to 1984.

Turkish cotton yarn and Turkey period," said Mr Pasin.

exports after agreement was yarn exports to the EEC to

75,000 tons per annum.
Mr Pasin betieved that one of the causes of the problems be-tween Turkey and the EEC lay in the fact that since September growing, could be in 1980 Turkey has been under In Brusseis he would explain that the generals

"My purpose is to elevate Earlier this month the Turkish-EEC relations to the Community lifted tariffs on optimum in this transition

World Economic Indicators

technology deal	ÜK £bn	Exports	July '82 4.546	June '82 4,475	May '32 4.625	n/a 4.307
By Leslie Colitt In Berlin		Imports Balance	4,380 0.166	4.487 0.007	4.740 0.115	-
TOSHIBA has signed a contract with East Germany's Industrie-	U.S. \$bn	Exports	June '82 18.822	May '82 18_218	April '82 17.843	June '81 19.750
Anlagen-import for the delivery		Imports Balance	21.310 2.488	20.558 2.340	17,387 +0.456	22.005 -2.255
of equipment and technology worth DM 82m (£19.1m) for an	Japan Yen bn	Exports Imports	2,785 2,500	2.752 2.537	3,003 2,786	2,787 2,583
East German plant which is to produce hi-fi equipment.	W. Germany DMbn	Balance Exports	+285 36.194	+216 35.580	+217 36.500	+204 32.362
The Japanese Export Import Bank provided a loan of the		Imports - Balance	31,426 4,768	30,580, 5,000	33.069 . 3.440	30.489 1.673 51.54
same amount to the East German Foreign Trade Bank	France FFr bn	Exports Imports	55.40 67.18	51.85 54.77	53.38 61.63	53.42 1.88
which the East German news agency sald was provided on		Batance	— 11.78 May '82	-2.92 April '82	-3.24 March '82	May '81
"advantageous conditions." Toshiba will deliver machinery	Italy Lire bn	Exports Imports	8,039 9,950	8,847 10,163	8,933 10,040	6,192 9,064 -2,872
and technology, produce radios and cassette recorders and buy	Belgium BFr ön	Balance Exports	1,911 186.05	1,316 202-54	-1,107 213.76	161.19 176.27
back East German mechanical		Imports Balance	202.32 — 16.78	228.44 25.91	254.85 36.88	-15.09

Martinair postpones Airbus plan

Martinair, the Dutch charter airline company, said it has postponed for twn years the purchase of a third Airbus A-310 from Airbus Industrie in France, previously scheduled for 1985, AP-DJ reports from Amsterdam.

The postponement has been made in the light of persisting stagnation in the world airline industry, the company

Delivery of the first two airbuses will go ahead on schedule during 1984 said Martinalr.

The company added it has ordered a second U.S. DC-9 type 82 aircraft from McDonnell-Douglas for delivery in April 1983.

Pan Am shelves flights

Pan American World Airways will suspend flights to Bangkok and Karachi on October 31 as part of a worldwide route reorganisation to return the airline to profitability, a Pan Am official said yesterday, AP reports from Bangkok

The suspension was tem porary, he said, with Pan Am officials hoping to resume flights to Bangkok when the airline returned to profitability.

ICL wins £2m order

About £2m-worth of Britishmade computer equipment is being bought by the Abu Dhabi national oil company (ADNOC), one of the world's leading oil producers.

The order, signed with London-based International Computers Limited, includes an ICL 2966 computer, destined for the Abu Dhabi Marine Operating Company. The first of its kind to be installed in the Gulf, the 2966 is due to be operational by the end of the year.

Romania BAC aircraft unveiled

THE FIRST BAC 1-11 airliner assembled in Romania under licence from the British
Aerospace Corporation (BAC)
was unveiled on Friday,
Reuter reports from Vienna. A contract for assembling 22 of the planes with Britishsupplied parts was signed in

Romania will make the air-eraft on its own with engines supplied by the Rolls-Royce

Guy de Jonquieres reports on leading computer suppliers

Data processing revenues fall by 2%

THE NORMALLY buoyant Western European computer market has sagged recently due to the recession, according to the results of a survey carried out hy Logica, a London computer consultancy, and pub-lished by the U.S. magazine

The survey finds that the overall data processing revenues of the 25 largest computer suppliers fell by 2 per cent to \$23bn (£13.2bn) last year after growing by almost 20 per cent

Eleven of the companies suffered a fall in European revenues, measured in dollars, against only one (Memorex of the U.S.) in 1980. They included International Business Machines, whose revenues of \$8.8bn accounted for more than a third

But the gloominess of the picture is exaggerated by use of the dollar as a yardstick, since it was rising against many European currencies last year. The performance of most European companies appears better when measured in their national

currencies. Moreover, though the market for large computers stagnated last year, several other types of product were in strong demand. The fastest-growing markets were for computer graphics, office automation equipment and minicomputers. Measured in dollars, seven of

the 10 fastest-growing computer companies last year were American. They were led by International Telephone and Tetegraph, whose data processing revenues tree by 47 per ing revenues rose by 47 per cent, Digital Equipment (np 38 per cent) and Wang (up 34 per

companies report, the order for which revenue figures were have hesitated before buying word; changed considerably. Six European companies featured among survey. It occupies ninth place, competitors did not miss this ment.

Company HQ U.S. +4 +38 -52 +52 +0.1 Cli-Honeywell Bull France Digital Equip Olivetti Sperry Univaci Hewlett-Packard

EUROPE'S TOP COMPUTER EXPORTERS

Parent

U.S.

France U.S.

UK W. Germany

n/a Not applicable. * Not available. † Estimates.

Source: Datemetion/Logica

CIT Alcatel

Rank Xeroxt

Ferranti

Kienzte

22 Plessey

23 Wang 24 Data General

Honeywell Infor. Systems

the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to Datamation, chance to make marketing in the top 10, headed by Olivetti, according to be a much roads. The French concerns, as with a 52 per cent revenue growth.

No Japanese company qualifies for inclusion among the top 25 largest computer companies operating in Western Europe. At present Japanese companies sciling large computers in Europe, notably Fujitsu and Hitachi, rely on distribution agreements with com-panies including ICL, Siemens. Olivetti and BASF.

But measured in national currencies in which individual ls Philips of the Netherlands, for which revenue figures were changed careiderably. Six Furn

Datamation. more powerful force in the a result, will bave considerable European data processing world than a lot of people expected."

Datamation suggests that uncertainties arising from the Mitterrand Government's decision to nationalise France's major computer companies has caused serious damage to their business, which will take some time to repair.

incentive to draw up strategy plans, and foreign customers

chance to make marketing inground to make up."

The Datamation / Logica annual survey was launched last year. The latest survey is based on reported and commated results of major companies in 17 Western European countries for calendar year 1981.

The survey included revenues from mainframe computers. "Management has had little mini - computers, computers, terminals and perisoftware, services, pherals. word processing equipment and communications equip-

SHIPPING REPORT

Kharg Island bombing hits tanker market

BY HAZEL DUFFY

THE BOMBING raid by Iraqi forces on the Kharg Island terminal produced a flurry of activity in the tanker market last week. Brokers reported a fixing of Worldscale 70 on a VLCC from Kharg Island to the West.

Gulf cbartered a 220,000-tonner for Worldscale 320,000-tonner broker further this week. No great further this week. As a further this week. No great further this week. No great further

But the big increase in cargo war risk rates at the end of last week was expected to act as a deterrent to owners lifting

more accurate picture of the

pleted, assuming the increase in the rate of enquiries on behalf of charterers lifting out of non-Iranian ports increases,

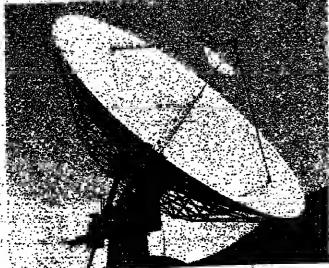
as expected. the prospects are about right market for consecutives Gulf/ for the UK and European to Continent.

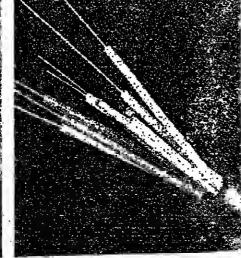
Dry cargo fixtures in the past

week are reported to have been at "depressing" rates, although ent grain charterers are in the

have reached the point where owners would have to consider the laying up of tonnage as a less costly alternative to trading. one broker says there is just a less costly alternative to trading.
Another broker, Galbraith hint that the Gulf/Continent It is thought charlerers are significant losses to the active

Much of our important work is done out of this country. And some of it is out of this world. pponel





Our business encircles the globe - providing faster and more efficient Eleven countries depend on us for their complete telecommunications systems,

while a further twenty-six rely on our operation of their international services. But although our feet are planted very firmly on the ground, some of the

advanced technology we use is out of this world. For example, we're one of the largest users of the INTELSAT communications

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BL and Vauxhall-Opel to cut discount to dealers

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

BL AND Vauxball-Opel, the car prices in Britain closer to General Motors subsidiery, are those listed on the Continent.

to follow Ford's example by They have held their price cutting the discount they give steady for much longer than their dealers on new cars.

Ford cut its main dealer at about 7 per cent annually. mergins from 18.5 per cent to 17 per cent in April as part of its heavily promoted "product and price re-alignment pro-

Neither of its main UK-based competitors followed, but BL warned at a dealer conference in May that it might be forced

Anslin-Rover, BL's volume car offshoot, and Vauxhall-Opal will make product changes next month and will take the chance to reduce dealer mar-

Opel ranges early next yeer. The UK-based manufacturers are attempting to bring nominal

business prospects in London and the South-East is published

The Chamber's 22nd survey of manufacturing industry in

economic recovery, especially among small and medium-sized

About 40 per cent of the 367

companies questioned reported increased orders. Only 22 per

cent indicated a fall.

of Commerce and Iodustry.

South-East 'optimistic'

AN OPTIMISTIC survey of demand of 40 to 55 per cent.

and the South-East is published cent of the companies surveyed today by the London Chamber but fell in 14 per cent.

the region suggests some 38 per cent of the companies guarded optimism" about surveyed said they were more

Sectors such as electrical overall suggest that the perengineering, chemicals and formance of manufacturing metals, instrument engineering, companies in the region has and rubber and plastics all been relatively stable and showed increases in domestic therefore modestly encouraging.

They have held their prices

would be expected with inflation

They have begun to squeeze their component suppliers, urging them to cut costs and reduce prices. And dealers are being told they must bear part of the

In the past manufacturers have restricted cuts in dealer margins to low-cost models. Austin-Rover gives only 14 per cent on the most inexpensive Metro, 172 on the top-priced ooes, and 18.4 per cent on other Austin-Rover cars.

be spread throughout the margins the other manufacturers were housed to fell the way with across-the-board cuts in its margins the other manufacturers were housed to fell the way with across-the-board cuts in its margins the other manufacturers were housed to fell the way with across-the-board cuts in its margins the other manufacturers were housed to fell the way with across-the-board cuts in its margins the other manufacturers were housed to fell the way with across-the-board cuts in its margins the other manufacturers. Once Ford led the way with given Ford's influence on the UK market with its 30 per cent-

Production rose in 29 per

The survey shows a slight fall

in future confidence. About 38 per cent of the companies

optimistic about the next few

months, just under 25 per cent

said they were less optimistic.

In May about 43 per cent were optimistic, and 17.8 per cent pessimistic.

The chamber seys the figures

Dealers will have difficulty putting up objections. In the current scramble for sales they bave been giving discounts often aubstantial - to any newcar customer who cares to ask.

A spokesman for the Motor Agents Association said at the weekend: "Naturally we are concerned about any erosion of the dealers' margins. But I fear that, because of the tough market, the dealers have been giving a lot away already".

The manufecturers' attempts to bring nominal car prices in Brilain more into line with those on the Continent are designed not only to discourage unofficial imports of cars. There is a chance that early next year tha European Commission could introduce regulations that taxfree prices for any particular car should not vary by more than 12 per cent between one EEC country and another.

Esbierg ferry service to start

By Hazel Duffy,

A TWICE-WEEKLY roll-on. roll-off service from Great Yarmonth to Eshjerg in Den-mark will start in October, offering a 60 trailer vessel. Portlink Ferries, based in Yarmonth, has been-formed to run the new service by a con-sortium from the UK. Holland, and Denmark. It will offer a quay-to-quay service but will not become involved more extensively in freight movement. The major roll-on, roll-off ferry operator between the UK and Denmark is DFDS, which operates out of Har-

BAYERISCHE

LANDESBANK

UPDATE

Balance Sheet Total advances DM 7.5 billion to

DM 90.8 billion • Loan Portfolio increases 9%

Overseas Commercial Business and For-

eign Exchange expand considerably

New Branch opened in New York

Bayemlux Balance Sheet

Total reaches Flux 137

billion, an increase

Cash

Due from banks

of 16.2%

Where container traffic has led to growth

dominated by steel boxes. Some are grey like those of Sea-Land. the big U.S. shipping company. Others are red, blue, orange, white, or take their colour from the name of the expansion-minded Taiwanese line. Evergreen, whose containers are piled high on the quayside.

For the Suffolk port, containers have brought sizable growth and earnings since Britain's first container quay. all 500 ft of it, was opened there in the late 1960s. Profits of the port, owned by European Ferries-the Townsend Thoresen company—soured last year from £1.1m before tax to £5.1m.

With ils east coast location, near to the Cintinent, its peaceful labour relations in an industry not renowned for harmony, and its long experience in the container business. Felixstowe bas clear advantages over some of its rivals.

Being in the private sector. notes Mr Geoffrey Parker, the port's managing director, also means it can be more flexible than those owned by the atate or local authorities—"we can probably react a little quicker. This year, Felixstowe is benefiting from the £32m expansion which was completed last summer and added two new container terminals to the port -Dooley, and Walton, the latter operated by a subsidiary of the C. Y. Tung Group of Hong

More money is being spent on new bandling equipment for Felixstowe and on expanding the storage area for containers. A second Freightliner terminal to bandle containers by rail is also being built for about £3.5m. with a Government grant cover-

ing 40 per cent. But the main expansion push is over for the moment. The port is now consolidating, says Mr Parker. "We want to see a sleady return on the investmenl and then consider expansion. We will expand if demand is there. He believes that there is still

growth in containers. "True, there are too many container

Andrew Fisher looks at a port where profits have soared and £32m has been spent on expansion



berths, but not all in the right place." If the right opportunity came up, the port could expand into other activities. This would only be into "clean, tidy cargoes" such as grain rather engineering beavy

products. But it is containers that make Felixstowe tick right now. Last year, it bandled nearly 350,000 of them — a rise of more than 40 per cent over 1980. Much of the growth in traffic, and thus profits, came from the new terminals.

While Felixstowe was forging ahead, one of its main competitors, Southampton in the centre of the south coast, was afflicted last year and for some of 1982 by costly labour disputes. These have died down now, so Southampton is likely to see its container volume move sharply again.

A helping hand might, ironically, come from the C.Y. Tung Group which also plans to invest several million pounds in a venture with Southampton to re-equip two of its container berths. Mr Parker reckons this and the Tung investment in Walton will be compatible—"I don't think it will affect operations in Felixstowe.

He says Felixstowe did not



benefit particularly from the Felixstowe's trade comes from tabour upsets at Southampton, routes to the Far East, India, though it may have received the U.S. and Scandinavia. The some cargoes diverted from other vessels. "We were busy

This year, with the new terminals going for a full year, Felixstowe's profits are likely to rise again. The port recently received a filtip with the decision of Hellenic Lines of Greece to operate entirely out of the Suffork port and drop its long-standing link with London. Fellxstowe's nearness to the

Continent means it is ideally sited for shipping companies which want to run so-called continental ports like Rotter-dam where their deep-sea operations may be based says Mr Parker, "we

are getting more and more into measurement.

the big league." He estimates To move the

rest comes from feeder and near European traffic.

Apart from Sea-Land and

Evergreen, its major users include United States Lines, OOCL (Orient Overseas Container Line) which is part of the Tung empire, K Line of Japan, Dart Containerline owned by Tung and CMB of Belgium, Canadian Pecific which has a trading link with Dart, West Germany's Hapag-

Lloyd.
With the addition of the the older Landguard terminal, or TEUs (20 ft equivalent some would like to: units), the industry's standard an efficient work

tyre wheels which humber up stacked boxes lifting each one off its pile and on to a waiting

are replacing the straddle carriers, which look like blg rellow travelling bedsteads and used to move more freely shout the port area. Fellxstowe is spending about £8m on new container cranes and land resurfacing for container storage, as well as mil-

mounted cranes for the Freightliner terminal. The port else has a thriving passenger business, last year carrying 1.07m people on services to Belgium and Sweden against 904,500 in 1980. Apart from Townsend Thoresen, with services to Zeebrugge, Tor Line operates to Gothenburg, Roll-on/ roll-off freight is also important: traffic fell slightly in 1981 from 2.55m tonnes to 2.52m.

Although the port suffered from an overtime ban this year during pay talks, which ended with an 81 per cent increase and a profit-sharing scheme, its la-dustrial relations are fairly harmonious. One reason, as Mr. Parker sees it, is that only one union, the Transport and Workers, operates General

Felixstowe's 1,000 dockers are: not in the national dock labour scheme. though thousands in other ports Dooley and Walton terminals to have taken advantage of generous redundancy terms. Mr Felixstowe can now handle Parker sees no reason why they annually 750,000 container units should be in the scheme, though There's no reason why estimates To move the containers in shouldn't be in jobs till they cent of side the port. Felixstowe uses are grey-baired old men."

EEC to resume debate on regional aid distribution

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

THE Common Market regional The British Government was in affairs directorate returns to favour of the principle of more Brussels this week to pick up the pieces of a proposal, the same time, did not want rejected in the summer, which Yorkshire and Humberside or bave prosperous member countries.

the European Regional Development Fund so that only the four "poor" members—Italy, Ireland.
Greece and Britain—would have benefited. They failed largely because of opposition by France, supported by Belgium.

The Commission proposed that to maximise the benefit from regional aid fewer areas levels existing in 1977. would be belped. In Brllain this mean! Yorkshire and Humberside and Devon and Cornwall, both assisted areas, would have been tural problems as defined by

regional aid. The Commission's directorate dealing with regional affairs meets again on September 9. It is uilikely that any new policy will emerge for at least a year. When it does the likelihood is

that at least token quotas will be available for every country, which will disappoint Britain since the UK stood to gain the revised procedure, presperous areas.

concentrated assistance but, at concentrated Devon and Cornwall excluded.
in the less- The Commission's failure to The Commission's failure to

push through its proposal will, The proposals were to however, be welcomed in both reallocale the quota section of English regions. They lobbled however, be welcomed in both hard against the changes, pointing out not only the need to improve their infrastructure but also to undertake projects which would create work within

their areas.

The weakness of the Common Market proposels was that they were based on unemployment

the benefit fewer areas levels existing in 1977.

In Brillain Cuota section aid should, the Devon and containing containing suffering from serious structural problems as defined by taried widely. Coffin prices ranged from £25 to £89. One ranged from £25 to £89. One containing tural problems as defined by the containing tural pro and the rate of long-term

unemployment. Since 1977 both regions have suffered heavily and seen their unemployment figures rise sharply.

At the September 9 meeting the Commission is likely to reaffirm its intention to achieve a substantial concentration of regional aid in the

Counting the cost of dying

THE COST of dying in Brilain is as unpredicteble as its timing. according to the Odd Fellows Friendly Society.

Wide variations between hetween regions showed up in its annual survey of funeral costs. The price of a "cheap" funeral with cremation ranged from £259 in Exeter to £497 in London. Wales and the West country offered the most reasoncble prices and London the

Most prices were about £400, except in London. The addition of a headstone or plaque put

Scottish undertaker, who was asked the price of his cheapest coffin, replied: "£80 for a pauper's coffin."

The society says savings can be made by obtaining estimates from several funeral directors well before there is any urgent

Shopping around is not easy, however. Many funeral direc-

tors refused to give prices over the telephene. Many of those who did would not break costs. The survey says: "Most people who are arranging a funeral will be reluciant to co into detailed costings and will

accept an overall figure based on the cost of the coffin.
The Exeter funeral. survey could find, included: chapel of rest, £15; coffin, £38;

cheapest detailed costing hearse and four bearers, £28 limousine for mourners, £10; professional services, certificates, doctors' minister's fee and expenses, £17. Total: £259.

Receivers consider offers for Carron Ironworks FINANCIAL TIMES REPORTER

RECEIVERS FOR Carron Iron- works, which would be attracworks, Falkirk, Scotland, are ex-aminining the responses to their invitation for offers against a deadline which expired at 5 pm yesterday. Their reactions to the offers could be made public this week after they have " analysed the situation in great

The workers whose more than 600 jobs are threatened by closure will have to wait several days, therefore, before discovering whether the 223-year-old company will be pulled from the brink. Representatives from a French

company were shown around the plant yesterday, hours before the deadline was due to

The Scottish Development Agency, which has been holding hopeful the company can he talks with a management consortium, said: "We have spoken for news. to a number of parties, some as late as Friday, and these include a number of companies and e number of consortia."

tive to the receiver. It is believed they are interested in pressed-steel baths divisions. It was not clear whether the consortium made a bid yester-

day.
Mr Harry Donaldson, a shop steward, said he hoped the receiver would give some indication of the future of the ironworks later this week. "The workforce will start to get what's happening. Our future depends on it."

Local representatives Mr Harry Ewing, Labour MP for Stirling, Falkirk and Grangemouth, and Mr Martin O'Neill, Labour MP for Clackmannan and East Stirlingsbire, are saved and are waiting anxiously

somebody will make an attracmuch employment as possible." A consortium of eight managers at the plant had been trying to raise sufficient cash to make an offer for part of the force to 615.

World steel-making falls to 30.8m tonnes in July

BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

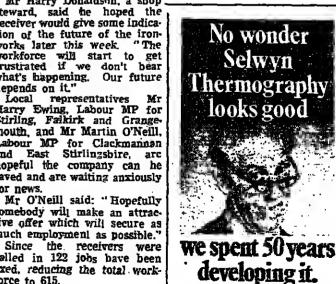
WORLD STEEL production last tion was down by 43.9 per cent, month dropped by 18.3 per cent This drop was almost equalled compared with July 1981, to by Caneda, which suffered a 30,804,000 tonnes, according to reduction of 40.3 per cent.
International Iron and Steel In- In the EEC as a whole stitute-compiled figures.

seven months of this year stood per cent in Brilain, 21.4 in Belat 241,156,000 tonnes, a drop gium, 19.8 in West Germsny

July 1981 to July 1982 period July ontput, compared with last was in the U.S. There produc- year.

In the EEC as e whole the titute-compiled figures. decline was 17.3 per cent. This
Total production for the first total included reductions of 21.3

of 10.4 per cent on the corres-ponding period of 1981. The Japanese steel industry The biggest change in the suffered a 6.1 per cent drop in



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Takea close lookat

Treasury bills and other securities 4,361,6 Loans on a trust basis at third-party risk 9,668.0 Due from customers 41,855.6 415.3 Loans on a trust basis at third-party risk 9,668.0 Nominal capital Trade investment Declared reserves 1,386,0 463.7 49.0 2821.7 1,491,6 liabilities of Landesbausparkasse Assets of Landesbausparkasse 7,57,9.8 (Building and Loan Association) (Building and Loan Association): 90,838.7 90,838.7

(in DM million)

570.7

238.0

23,917.5

HIGHLIGHTS FROM THE BALANCE SHEET AS AT DECEMBER 31, 1981

Outstanding debentures

LIABILITIES

Due to banks

Other creditors

Bayerische Landesba

International Banking with Bavarian Drive and Friendliness

(Bayemlus) Luxembourg, Tel: 47 5911-1

resentanive Offices: Toronto, Tel.: 862-8340 L. 653141; Johannesburg, Tel.: 8381513

25,443.5

36,118.9

Food industry's profits lowest for two years

BY DAYID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

ability of UK food manufac- first three months of last year, profitability on pressure by turers is revealed in the latest survey of the indusry, published

The survey, prepared for the council by the Institute of Grocery Distribution, shows that in the first three months of this year food manufacturers' profit margins fell to their lowest level for two years.

Moreover, the companies' profit margins in the first quarter of this year were some 44 per cent down on those in the third quarter of last year.

. The survey of major food companies found that pre-tax profits as a percentage of sales margin was 5.73 per cent.

This year's first-quarter increased figures are the lowest since the required.

first quarter of 1980, when the profit margin was 2.22 per cent.

"In turn, borrowings have way through lbe system. "It increased while interest rates should be remembered that they

yet available for the period of retail sales index for food by the Food and Drink Indus-tries Council. Since March, but few in the retailers in the six months to industry expect any major March, 1982, remained steady. increase in profit margins this it points out, this was sustained

> The decline in food companies' profitability has come as a disappointment to the industry after the improvement in the first nine months of last prices which manufacturers are year. But the slump began in able to obtain, and the lowering the November-December period, of manufacturers' profits is the when the figures revealed the worst fourth-quarter result since

"We are seeing the rein the first quarter of this year were 3.21 per cent compared became acute during much of working capital requirements of last year. At its peak in the third quarter, the margin was 5.73 per cent. profit levels just at a time when increased working capital is

On a seasonally adjusted basis, the profit margin in the first quarter of this year was 3.83 per the profit margin in the first quarter of this year was 3.83 per the council also puts some of the profit margin in the first ther pressure on profit levels."

The council also puts some of council adda.

A SHARP fall in the profit- cent, against 5.30 per cent in the the blame for the industry's low No profitability figures are retailers. Although the volume year. "A change in the present trend is unlikely in the immediate future," the council admits.

It points out, this was assailed to only by low increases in food trend is unlikely in the prices. For example, during that period the Grocer price index for processed foods rose

> of manufacturers' profits is the consequence," the council says. For the future, the council helieves that "markets will remain difficult and cost pres-

price rises resulting from the recent EEC farm price settle-

Sails trimmed to weather storm

about in boats knows that the name Hood is synonymous with quality. Hood is one of the best szilmakers. "The best," according to Bryan Axford.

But he is blased. He is joint managing director of Hood Sailmakers, of Lymington, the British arm of a company started in the late-1940s in New-

England by Ted Hood. Hood mainly makes sails for the biggest and best boats, hut the company's overwhelming association with the top end of the market perturbs Axford. We make sails for middle boats and want people to know we can make for them as well,"

he says.
"We may be the Rolls-Royce of sailmakers but we will talk of sailmakers but we will talk
to anyone about their problems
and we make sails down to racing dingines. This is a very
competitive business and we are
very competitive in it."

Making sails is a highly specia-

lised business. Ted Hood started in America where he saw a gap in the market. Later, because of frustration with his suppliers and the quality of the Egyptian cotton they were offering him he began to weave his own

The company arrived in Britain in 1967 and Axford Joined a couple of years later. The con-

Anthony Moreton looks at the way a famous sailmaker is trying to cope with the effects of the

recession cern was built up to a staff of 60 to 65 but the recession has hit Hood, like every other company

in the country, and it is now down to 51, of whom 35 are production people. Surveying the Hamble river has been badly hit by the deand across the Solent to Cowes pression on the stock market. Bryan Axford says: "This is the last corner of England to notice there ia something called a

"But it has got through at last and we have had to trim our production back. Since 1980 we have probably had a downturn of about 25 per cent and on replacement work. this year will certainly be lower than last year.

"Most of the rationalisation has come about. I am glad to say, through natural wastage and we have managed to stay profitable. It is not a profit we



Mr Bryan Axford, joint managing director of Hood Sails, on

ud of, but it is a profit,

That profit has been made on turnover of about £1.5m, of which 40 per cent comes from But turnover has been static for the past two or three years, which means that in real terms the company has

In normal times the U.S. parent expects to receive a royalty from Lymington. But the Americans have gone easy on royalties in the recession to keep their British arm in the black.

Because so much of the com-pany's work is for the top end of the market Hood Sailmakers "Our customers tend to be par-ticularly affected by the market, especially when many of the

big hoals are company owned. Both companies and rich inoividuals have stopped building new boats and so we have been forced to rely increasingly

We thought we might be pulling out of the recession this year. Perbaps we were too much influenced by what we read in the papers. But this year has been, if anything, even more difficult than 1981 .

If there has been one change and by the standards of the rest of the hetter, from the comit is easler to get young people

to join the company. In the middle 1970s Bryan Axford would put an advertise-meet in the local paper for weeks on end without getting a single reply. "Nowadays, one advert hrings to between 30 and 40 replies.

"It is a very sad situation. Some of those who apply have been out of work for at least six months. Everyone who writes to us gets a reply, but we just do not have the work to enable us to take them on." The keen deaire to work for Hood Sailmakers does not only stem from the recession.

decade ago the company, like its competitors, paid under the national average. Today offers rates comparable those paid by other industry the area.. Axford has not gone in for any of the schemes the Government bas been pushing. "We have not employed anyone under the Youth Opportunity

Programme, though I did con-

aider it earlier this year. The Ministry was very interested at

the time, of course: This winter, though, we might take on one or two, depending on our situa-

This announcement appears as a matter of record only.

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No substitute for flowers

impact of modern drug therapy on health has been made by the Office of Health This has introduced unem-Economics, think-tank of the British pharmacentical indus-It believes "health indices" may have a part to play in the assessment of medicines when they are first

used on patients. In a report just published the OHE finds that medicines developed over the last 30 years "have made a significant impact in improving well-being in subjective well-being terms."

Call for

measure of

drug value

By David Fishlock, Science Editor

A call for more refined

methods of measuring the

better

It claims its study is one for the few systematic attempta to measure the benefits" of treatment by drugs.

There is growing concern about the cost of medical care, and one way of justify-ing the rising expenditure is to demonstrate more clearly the benefits, it says.

One yardstick it uses for quality of life" is the need to be in hospital for treat-ment. Between 1959 and 1979 the number of heds in British bespitals fell from 549,000 to 456,000.

The average length of stay in hospital in England fell from 30.1 days in 1965 to 20.9 days in 1977.

The higgest single factor was the decline in heds — 30,000 in 1952 to 625 ln 1979 —for tuberculosis.

Another hig reduction was made in beds for psychiatric patients — 154,000 in 1954 to 78,000 in 1979 - following the introduction of the drug ehlorpromazine.

OHE Briefing 19 - Medicines and the Quality of Life, Office of Health Economics, 12 Whitehall, London SWIA 2DY, 50p.

FOR SEVERAL years Guernsey

planners believed a gradual contraction of the island's traditional horticultural industry and the closure of outdated greenhouses would he good for its economic health. Rising fuel prices and tougher Dutch competition in the UK market, however, have led to a shrinkage greater and faster than expected.

provinent, particularly among the unskilled, for the first time since World War II. The industry employs 2,400 full-time, half the 1966 figure. Mr Stan Brouard, island labour and welfare chief, expressed fears recently that 100,000 sq ft of glass might be out of production by next winter with consequent job-

With unemployment running at 4 per cent of the working population in the past two winters, Guernsey's Govern-ment has launched a programme to support the development of

light industry.

In the past the labour needs of tomato — and flower — growers restricted encourage. ment of rival types of producer.
The first modern industrial plant was opened in 1958, by Tektronix, the U.S. oscilloscopemaker, when it moved in to the

island.
Tektronix, employing about 600, Is still the largest manufacturing unit in Guernsey.
Once, its competitive pay rales were regarded with suspicion

Commerce and Industry. Guernsey's government, in Backed by an initial budget of grants or similar inducements £125,600 it is charged to pro- for industrial investment. Demote the island as a centre for partment of Commerce

Willa Owen reports on plans for a broader-based island economy



light industry, to help local Industry officials, however, companies sell products in the believe Guernsey has more UK and abroad, and to immediately appealing advanencourage expansion of exist-

ing businesses. The department has received more than 350 inquiries. Four companies began operating by the end of last year. Another six started this year.

Meanwhile 42 husinessmen have formed a self-help organi-sation, the Guernsey Exporters' Group. The association is a framework for the pooling of ideas and of experience in over-seas markets other than the UK. by many growers.

In the .1970s the island government set up a working party to attract more light industry in a modest way. Several dustry in a modest way. Several companies standed were recommended to the stander of commence recommend the stander of commence recommended to the stander of the stander of commence recommended to the stander of the stander of

dustry in a modest way. Several small companies started up, variously employing about 10 to 150 full-time staff. Their activities included electronics, packaging, pharmaceuticals and hoat-building.

The new drive for a broader-based economy has led to the setting-up of the Department of Commerce and Industry.

Guernsey's chamber of commerce recently gave identity to the Manufacturing sector by lauoching a Made in Guernsey broader of goods as well as of tomatoes and holidays.

The chamber would like to see financial support from Guernsey's government, in

These include 20 per cent maximum fox rate on business profits and personal salaries, A fuection of the new department is to smooth the way so that a business moving to the island can do so with minimum

frustration and lass of time. Electronics is considered a particularly suitable industry for Guerusey herause it exports at high value-added product-"equivalent to a Rover car," as one official put it.

Mr Brace Riley, the Island's commercial teletions officer, said light industry was a more efficient land-user than horuculture, which employed fewer people per acre.

The drive to encourage more companies. however, was not designed as a substitute for horiculture, he emphasised.
"To stay vialle Guerney needs to kep its horicultural industry and to develop manufacturing."

By Michael Donne. Aerospace Correspondent

deal for

BAe wins

£3m Scots

Jetstreams

THE FIRST British order for the British Acrospace Jetstream 31 twin turbo-prop small arriver has been placed by a Scottish company, it was

announced yesterday. ln a deal totalling f3m, Peregrine Air Service, an Aberdeen-based North Sea oil air charter cumpany, is to buy one aircraft and discuss a contruct for a second.

The first will be delivered in December and delivery of the second is scheduled for next February. Both will be the 13-seat commuter version.

British Aerospace has now made seven Jetstream 31 sales, with a further two options and an additional five reservations. Until yesterday, all the sales were to the U.S., West tiermany

and Norway. The Jetstream 31 was origin ally designed by the former llandley Page aircraft com-pany in 1965. But full production at he Eritish Aerospaco factory at Prestwick, Ayrshire, did not begin until fast year. It won its certificate of airworthiness last June.

Output at Prestwick is being built up to at least 25 aircraft a year by 1984.

Mr Brian Thomas, managing director at Presiwick, described the deal as "particularly gratify-ing" and said: "It is very exciting when a Scottish air-eraft manufacturer can look furward to a Scottish operator llying its aircraft through the support of Scottish linancial institutions.

British Aerospace had now suld all the Jetstreams available for delivery this year and had made "reasonable inroads" into producing those available for delivery next year, he added.

Only British Caledonian offers the businessman the choice of First, Executive or Economy Class to South America.



First Class

Skylounger sleeper seats. A superb choice of menus and tine wines. And a stanuard of in-flight service that has helped aet us voted Airline of the Yea the last three years running. It all radds up to the linest First Class in the business.

Executive Class

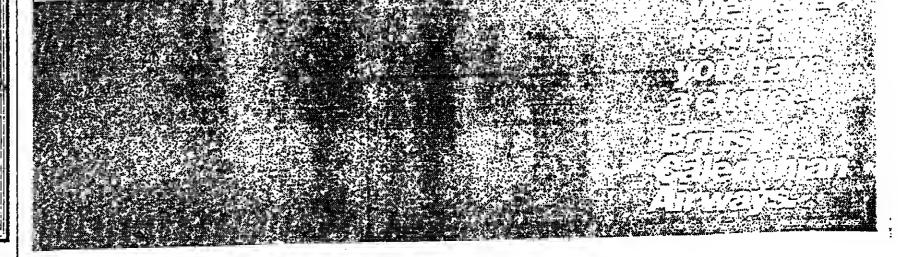
The new businesslike way to South America starts with special treatment at our separate check-in facilities at London-Gatwick. On board you will tind we have extended the seat-pitch in our new exclusive Executive cabin to a gener ous 38." We give you a tree headset with which to enjoy the music programmes and feature tilms. And, of course, the drinks are on the house.





Economy excursion fares

For the businessman on a budget we offer a range of excursion fares to all six countries that we serve in South



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products. Exports were currectly

of the foreign plants was more stable, and sloce the Group was

The following are details of

The difficult market situation

also posed special problems for

utilisation remained most un-

Share Capital

Reserves

Fixed Assets Participations

World Turnover

Turnover (Co.) Personnel Cost (Co.)

Net Profit Number of personnel

satisfactory at the beginning of once again achieved satisfactory

Refractories

taking 57% of total output. Although he expected output

previous yeer.

the Annual Report:

With effect from 1st September 1982 the

investment accounts both new and existing:

Current account in oney

7.75% p.a.net = 11.07% gross*

SHARE ACCOUNT

Short term money

SEVEN DAY ACCOUNT 1-17

HIGH OPTION BONDSHARES

Investment money

SIXTY PLUS BONDS TAKE

9.25% pa net = 13.21% gross*

The rate on all previous issues of Bondshares

Regular saving money

9.00% p.a. net = 12.86% gross*

BUILD-UP SHARES -

Rates remain unchanged.

At the end of twe years equivalent to: 8.30% p.a. net = 11.86% gross*

At the end of seven years equivalent to:

8.62% p.a. net = 12.31%

ABBEY NATIONAL

Abbey National Building Society. 27 Baker Street, London W.I.M. 2A.A.

will be reduced by 1.00%

850% p.a. net = 12.14% gross*

9.25% p.a. net=13.21% gross*

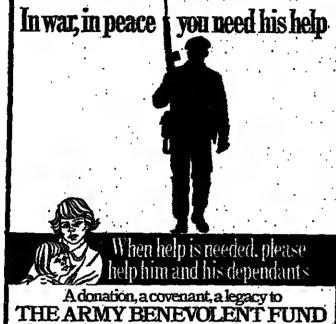
following rates of interest will apply to

announces that on and after 31st August, 1982 its Base Rate for lending is being decreased. from 11% to 10½% p.a.

The interest rate payable on deposit accounts subject to seven days notice of withdrawal will be decreased from 8% to 71/2% p.a.

The interest rate payable on High Interest deposit accounts subject to twenty one days notice of withdrawal will be decreased from 9% to 812% p.a.





INSURANCE

Plugging tax loopholes in life deals

oeeds to get together with all sections of the life assurance industry to sort out the system of taxation for contracts, particularly that related to lumpsum investments.

The controversy over second-hand honds has highlighted the confusion and has shown that the system of legislation and "gentlemen's agreements" does not work.

Life assurance has a variety of tax concessions applicable to the life funds and to the iodividual life contracts when they are cashed in. The present system offers the tax avoidance specialist a fruitful field. An ertificial combination of life contracts can minimise or even eliminate tax liability for the investor in a manner never intended by the Revenue.

The traditional life companies which are members of the Life Offices Association (LOA) or the Associated Scottish Life Offices (ASLO), have an unwritten "geotleman's agreement" with the Revenue

APPOINTMENTS

Senior post

at Vickers

Mr Rob Verguson, a founder member of the Association of

Hydraulic Equipment Manufac-turers, has been appointed managing director of VICKERS FLUID POWER et South Mar-ston, Swindon, He joined Vickers

hydraulies division in 1977 25

director of sales and marketing.

before becoming assistant manag-

A comprehensive new system is needed, writes Eric Short

tax-avoidance business through legislative action.

artificial arrangements. This delay is beginning to artificial arrangements. It is difficult to draw en exact infuriate the traditional life companies which are line on tax avoidance hut the

rule of thumh seems to he that if-the investor himself can put by the agreement together the separate contracts then it is acceptable.

have regular informal meetings with the Ravenue and each. knows the other's views. Some non-memher life companies also ahide hy this agreement, but most non-members refuse to he tied down hy it. They are very much lovolved in designing taxefficient- schemes and are oot worried to the least by the con-cept of artificiality, as long as the scheme complies with current legislation.

The past decade has seen the "entrepreneurial" life com-panies produca one tax-avoidance scheme after soother. These schemes flourish for a while and sell well before the oot to abuse these tax cooces while and sell well before the sions or to get involved in the Revenue gets eround to taking

ing director of a re-formed Vickers fluid power division.

Brigadler Anne Fleid has been

appointed from September 1 as a regional director of the Greatar

Londoo regional hoard of LLOYDS BANK, Brigadier Field

joined the ATS in 1947 and retired as director of the Womeo's Royal Army Corp.

Following the acquisition by Charter Consolidated of 65.24 per

cent of South Crofty, the followappointments have been to SOUTH CROFTY'S

board: Mr A. J. W. Owsion (now also chairman of South Crofty) an executive director of Charter

in Charter's mining division.

tions have no right to interfere with the marketing and to dictate to the Revenue over tax legislation These views, which have split

the life assurance industry, have been highlighted by the second-hand bond controversy This was a clever device to stantily saying that their sales through a highly artificial sales suffer by continuing to abide procedure. The association comy the agreement. panies saw bond business
The Revenue seems to take increasingly go to the non-The LOA and ASLO officials an icordinately long time first member companies over the to discover that such schemes Revenue did nothing

exist, then to ascertain that sales are sufficiently widespread to When the Reveoce at last seek the necessary parliamentmoved in June it seemed to be ary time to stop the loophole. . making up the rules as it went Often the Revenue privately along, usually at the behest of the LOA. The industry is faced admits that it was unaware of with a highly complex piece of the existence of a tax avoidance scheme until its officials heard legislatioo in next year's Finance Bill

The situation is highly un-satisfactory for the long-term good of the UK life assurance industry. The old system of abiding by the spirit of the legislation is not working. It oeeds to be replaced quickly by comprehensive tax legislation for life assurance.

CONTRACTS

Wiggins Group wins £5m orders

The contracting division of the group with a total order worth WIGGINS GROUP has won over more than £2m. The 2966 will be 15m worth of contracts. The used by ADMA-OPCO for the largest is for houses, flats and development of systems under bungalows at St Mellons, Cardiff the VME 2900 operating system for Cardiff City Council. This and will also operate under contract, worth over £2m, was CME. It will also provide e backwon by the Gee Walker and up and load sharing service to Slater office at Bridgend. Gees ADNOC's computer centre which are also building 20 advance factory units at Hirwaun for the Weish Development Agency, costing £496,000, and 30 bunga-lows at Hengoed for Rhymney

Valley District Council worth

about it through the media.

So the LOA and ASLO take

upon themselves the rôle of

informing the Revenue that

such schemes are being marketed and of asking for

action to be taken 25 5000 as possible. This infuriates the

non-member life companies who

take the line that the associa-

£625,000. In Essex, Wiggins Construct (Eastern) has started building an old people's complex at Stanford-le-Hope for Thurrock Borough Council, valued at

has taken two contracts in Hampshire, one being a residential development at Alton for Hanover Housing Association worth £462,000, and the other.

The Abu Dhabl National Oil rectly launching the company in the UK.

The Educatioo Secretary has appoloted Lord Cranbrook, Professor Ronald Edwards and Professor John Simpson as new which needed to make the majority of the group's operating companies which needed to make the majority of the group's operating companies

more than £2m. The 2066 will be ased by ADMA-OPCO for the development of systems under up and load sharing service to ADNOC's computer centre which currently comprises an ICL 2972

MARSHALL CONSTRUCTION GROUP from Eliand has been awarded a contract worth around awarded a contract worth sround 13m for a hypermarket for J. Sainsbury at Gneengates, Bradford. The development consists of a 94,000 sq ft retail unit encompassing both e food supermarket and a Home Base DIY building. Work commenced on August 16 and is doe to be completed in May 1998 and the fitting out period of the supermarket will enable the whole complex to be open for trading complex to be open for trading in November 1983. The contract was awarded to Marshall Construction Group hy Antier Developments, a West Yorkshire hased property company, who are acting on behalf of a Swiss financial consortium for carrying out the total development.

BRC of Stafford has received an order worth over film to supply reinforcing steel to be used in the improvement of the A55 North Wales coast road from Lianddulas to Glanconwy. The Llanddulas to Glanconwy. The order, placed by Fairclough Civil which produces the majority of Eogiocering of Adlington, Lan-Abu Dhabi's offsbore oil ADNOC cashire, lovolves nearly 5,000

Notice

The National Savings Bank announces that with effect from 1st. October 1982, the interest rate payable on Investment Account deposits will be 121% p.a.



20.00

Co-op Bank announces a change in base rate

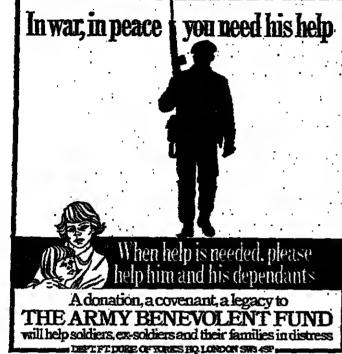
From 11.00% to 10.50% p.a. On and after Wednesday, 1st September

> Deposit Rates will become: 7 day deposits 7.25% p.a. 1 month deposits 7.50% p.a.

Short-term deposits range from 8.25% to 9.85% p.a.

depending on amount & term (minimum £500 & 6 months)

First Co-operative Finance Limited Cheque & Save current notional interest rate is 6.00%



DIDIER-WERKE AG

WIESBADEN, GERMANY

(Refractories and Engineering Services)

The Annuel General Meeting was initial short-time working, gress in the field of environ-of Didier-Werke AG was held Capacity was also reduced in meotal protection. in Wiesbaden on 16 July 1982 order to adjust to the permanent — In the field of acid-resistant changa io the refractories marand the following are extracts from the speech of the Chairman of the Board of Maoagemeot. Dr Martin Bleoeck, and from the report presented by the Board. improvement in capacity utilisation in the year.

The policy the company has followed consistently over the Dr Bieneck yeers of systematically strength-Dr Bleoeck began by pointing out that, in splte of all the diffi-culties encountered in 1981, the enlog its range in high-grade and special products agalo proved correct and vital in that it pro-duced a turnover (Co.) in this Didier Group had managed to maintain the success achieved in sector of DM 643m, a rise of 3.3%. Capacity utilisation ahroad done in the face of a cootioning crisis io the steel iodustry and

employment to the coostruction raising their employment even to describe heyood the very high level reached in the previous year.
The Spanish Didler refractory in detail the strategic steps taken in the last teo years, sloce the start of the oil crisis, to plant also fell only slightly short couoter successfully the struc-tural changes that had occurred of the encouraging figure reached in the previous year. The two American plants, on the Talking about economic and social policies, Dr Bieneck comother hand, did not manage to maintain the business of the plained that annual wage increases still failed to ose proprevious year because of the recession in the United States. gress in productivity as a yardbut the advantage of local production being closer to the market was clearly shown io Moreover, persocal initiative and loternational competitiveoess had been and remained affected by the coo-Canada, where the Didier plaot again managed to improve its tiouing policy of redistribution. capacity utilisation io the face Io view of a level of youth unemployment that gave grounds of adverse market conditions.

for concern Didier had increased the oumber of training places it once again in strengthening its market position in 1981 as ona of the leading producers of remade available.

Dr Bieneck also took issue fractories. The product range was even more closely tailored with allegations of a refusal by industry to invest, pointing to the decline in profits and the to customers' efforts to solve their energy and materials probshakeo confidence resulting from uncertainty as to the future. field by using increasingly high-Didier, however, in pursuit of its strategy, bad increased ingrade ceramic refractory products. Production was adjusted accordingly and the vestment hy some 20% to DM 25m io 1981. The substantial effectiveness and flexibility of investment programme that had the Didier organisation, interbeen started would only hecoma nationally co-ordinated as it was, fully effective during the current increased further. Sales of highyear, when it would rise to more grade Didier specialities for the growing oumber of cootinuous casting plants built by steel As for developments during the current year. Dr Bieneck felt there was little prospect of industries in all parts of the world made particularly good progress. This solid worldwide a lasting recovery in the home demand for stendard products. market positioo is reflected in All the same orders bad kept up the percentage of exports, which rose from 52.3% in the previous with the previous year up to now and capecity utilisation in the German plants had risen year to 53.8% in 1981. Overall, Didier group sales in foreign markets totalled 333,595 tonnes. slightly, largely because of the worldwide husiness io high-grade representing a turnover of DM 575m, and turnover world-wide for the first time passed

Worldwide. Didier succeeded

billion-mark to to decline at home the situation DM 1.029bn (+10%). lovestmeets continued to be moving lo oew directions both almed mainly at optimising and turnover and earnings were rationalising production, with expected to be in line with the particular emphasis on energy

saviog. Engioeering Services Business io refractory eogineering services remained mainly concerned with the erection of new hot hlast stoves and orders Didier. At home, capacity for major repairs.

Installations results were satis-factory, although because of a shift in lead times, the previous year's figures were not reached. There was also a slight fall in locoming orders.

Mr Donald Davidson has been appointed managing director of ITEL SOFTWARE SYSTEMS. Mr Davidsoo has responsibilities The Dinova plant faced a very difficult market and yet managed throughout Europe and is cur-rectly launching the company in to improve its market share hecause of cuts in cost and a flexible pricing policy.

Personnel The company's lahour force fell from 4.767 to 4.427 during the year, with foreign workers accounting for around 35% of the total of hine-collar workers

pany. Prospects . Users of refractory products are uoder iocreased pressure everywhera to increase their profitability. This challenge at the same time creates oew opportunities for Didier which the company will do everything it can to exploit.

employed by the parent com-

With the increasingly international character of production and distribution the refractories as well as the Didier Engineering business bave changed character. Didier, as ao enterprise operating worldwide, has become more

independent of developments in individual markets.

1982 again poses special proh-lems for the German eccomy, but Didier's move in new directions should enable the Group successfully to maintain its position in the new business

Profit and Dividend

Profit for the year, including the balance brought forward of DM 121,030.02, amounted to DM 12,632,813.18 which, after an appropriation of DM 3,500,000 to the free reserve, produced a total of DM 9,132,813.18 available for distribution.

It is accordingly proposed to distribute a dividend of DM 5.50 in respect of each DM 50 oominal share, a rate of 11% and equivalent to DM 9,032,100 on the abare capital ranking for profit of DM- 82,110,000, and to carry forward the resulting halance of DM 100,713.18. The report, the eccounts, and

the proposals put forward by the Board were adopted. Board of Management

(Vorstand) Dipl-Kfm. Dr jur. Martio Bieneck, Chairman. Dietrich von Vice-Chairman (as from 28 May 1982) Dipl.-log. Ernst Mahler (up to 31 August 1981). Dr.log. Gerhard Reinhardt, Dr-Ing. Hans Stollenwerk

Chief Executives (Direktoren mit Generalvollmacht)

Werner Gottwald. Dr.Ing The filter engineering division Peter Jeschke (as from 1 June 1982). Dipl-ing. Dieter Sack (as from 1 June 1982).

the year under review, and there results and made further pro-Didier in Figures 1972-1981 (in million DM) 1972 1973 1974 1975 1976 1977 1979 82.1 72.8 66.2 69.4 859 623 195 14.9 74.4 56.1 73.3 59.2 941 598 188 11.1 82.1 76.8 65.9 58.0 937 82.1 80.3 69.5 63.1 1,029 74,4 68.5 42.4 54.6 72.6 55.1 69.9 53.7 \$50 582 183 11.0 67.3 54.9 799 571 658 482 405 138 722 206 12.5 188 11.3 186 12.0 8.2 Number of personnel (Co.) at year's end 6,010 6,234 6,301 5,638 5,417 5,167 4,795 4,855 4,767 4,427 Copies of the full report can be obtained from Seafax Ltd., 2, The Mail, Ealing, London W5 2PJ.

£900,000, and grouped dwellings at Wissants (Pbase 2) Harlow, for Harlow District Council, cost-Ing £400,000. Wiggins Wessex Construction

and bead of its mining division; Mr J. V. Cleasby, an alternate director of Charter, consulting engineer and head of its technical department; Mr J. A. Pool, a manager of Charter and head of its group financial planning department; and Mr G. Gardiner, manager—mining administration for Wessex Regional Health Authority, is the conversion of an existing house to a residential unit for children, value £140,000.

fessor John Simpson as new members of the NATURAL, ENVIRONMENT RESEARCH COUNCIL.

has also considerably cohanced tonnes of high specification cut other computer facilities in the and hent har,

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interiors or finals. The sub-divisions shown below are based mainly on last year's timetable.

VESTERDAY
OLVIDENO & INTEREST PAYMENTS—
Amdahl Corpn 10cs
Bank of Montroal 49cts
Mush Tool 21cs
Jpurdan (Thomas) 1.75p COMPANY MEETINGS— Stephen (Alexander), Reg. Office, Lint-house, Glassow, 12.00 Rightwise

Laisting

Eva (Winshedge)

Lambert Howarth
Mactariane (Clanaman)
No-Switt Inda

Robinson (Thomas)

Riving and Alexander Services 48.5cts

Allied Leather Inda Sopri 1,75oc

Anglo, lodgmentan Coron In
Arthmone and Alexander Services 48.5cts

Allied Leather Inda Sopri 1,75oc

Anglo, lodgmentan Coron In
Arthmone Mohar Hidsa 25p

Automated Secrity Boph 4pc

Baok America Coron Sacts

Gank Incland Fifty Rabe Cap Notes 1989

189.25

Borry Irs Lin Zingt

Borry Irs Lin Zingt

Borry Irs Lin Zingt

Borry Irs Lin Zingt

Carter Hawtey Hale Stores 30.5cts

Central London (New) Ció Asset Inc

Criticoro Panas Fin Coron Giv Fity Rabe

Crost Ind London (New) Ció Asset Inc

Criticoro Panas Fin Coron Giv Fity Rabe

Crost Ind In Store

Grego Ind In Store

Grego Ind In Store

Grego Ind In Store

FIT (UK Finance) In 41100

Grego Indian Indian

Grego Indian

Grego Indian Indian

Grego Indian Indian

Grego Indian I

Foster Uphin Lin Allot

STE Figure Fity Rate Notes due 1987

SABO A2

Grant (Carnes) (Casu Db Slepc

Grantermens Stories Fit 2 boc. 2ndF# 2 boc.

Striff Zignt. If Spc

Gruntle Corpn Lin Shoc.

Hickeon and Weich 2.5p

Hontier and Palmar Lin 314, 5 kpc

ICL Ob 3pc

Imperial Color Storage Souply 15 stv

Kaiser Alominom Chen Corpn 15 cts

Lendon St Leigriffor Inv SpcFf 1.73pc

London Strathcivide Tat 5 ocff 1.73pc

London Strathcivide Tat 5 ocff 1.75pc

Lyfe Shipping Glaciff 2.5525pc

Magnat Jolnery Ob 4 boc.

Macolacturess Hander O'942 Cap Corpn

Grd Fity Rate Notes 1997 336.592

May and Massell Boch! 2.19c

Monk (A.) 2.5p

Notes Simon Zicts

Oesterreichische Kontroll-Bank Gtd Fito

Rate Dep Notes 1987 316.602.03

Gality and Mather Imi 39cts

Panama (Republic of) Fity Rate Se Notes

1990 3749.21

Parkland Textile 4.2pcff 2.1pc

Scott Rubertson Lin Store

Shaw Carpets Sepert 2.8pc

Scotter Parkland Textile Server (1.5pc)

Tr. City Loodon Tim 150 Store

Tr. City Loodon Tim 150 Store

Tr. City Loodon Tim 1100 Corp.

Line Markland Nate Malling 17475. De 201-24

Lines Markland Malling 17475. De 201-24

Lines Lines Markland Malling 17475. De 201-24

Lines Lines Lines Alley Lines Lines Separed Separe 2-1pc
Thames Im Sec (USM) 12pcPf 6pc
Tierr Oats Natl Milling 17cts. Do. 20cts
Tilling (Thomas) Ob 4pc
Travit Arnold In 4pc
Trivierrat Db 31lapc

Violet Care Tile Str. 3 West. In Spc. Vormalda Walker Attinson La 4/2pc rrumaida Walker Attinson La 4/pc
TOMORROW
COMPANY MESTINGS—
Braham Miller, Strayshed Works, Clay
Hill Enfeld, Middlence, 3.60
Gr Portland Esteber, Cale Royal, 68,
Regent St., W., 12.00
Moorgate Inv Yst., 1, 3rewers Green.
Becklegnum Gate, Sw. 2.00
Finalsa
Diolome
Herjamat Foundries
Interlines
Babeck Anthi

RdPf 1961-85 2.1pc
Whitbread Obs 24. 53-pc
Whiter (Timpothy) In 5-spc
White It Obs 4pc
THURSDAY SEPTEMBER 2
COMPANY MEETINGS—
Bristol Evening Post, Temple Way.
Garcia Eng's, George Hotel, Huddersheld.
3,00 G. M., Victoria Line OIVIDEND & INTEREST PAYMENTS—AMAX Sets ACTON DO SUPE (A) American Brands & Sets IG. M.). Victoria Hotel, Bradford. AMAX Sets
Acrow Db Sipe (A)
American Strands 47.5ds
Astarco 10cts
Astarc 12.00 Kellas Rubber Estates, 1-4. Grest Tower Street, EC, 12.00 NMC Inv, Rep Office 25-35, City Road. EC, 12.00 EC, 12.00 Hotel, The Strend, WC. EC. 12.00
Cosenis. Savov Hotel, The Strapd. WC.
12.00
Sheffield Refreshment Houses, Kenwood
Hall Kenwood Road. Sheffield 12.00
Sykas Chicary, Winchester House. 100.
Did Broad Street. EC. 12.00
Sylond. Foat House Hotel. Leads Road.
Ter Abrasivas. George Hotel, Leads Road.
Ter Abrasivas. George Hotel, High Street
Cockidester. Essex. 12.00
Und Gas Ind. Connaught Rooms, Great
Owen Street, WC. 12.00
BOARD MBETINGS
Finals.
British Elec. Trection
Withbootth Elec. Ladbury Schweppes Cambridge Elec Inds Charterhousa Gra Sen Mng Union Can Morsan Crucible Moreag Crucible
Most Box N. (Vimto)
Terrar and Newdi
Dentaply init 22cts
Emply-Tyas Property 6
Control of the C File Acsional Council 134-pcRd 1983-84
5-boc
Floriting Mercandile Inv Tst Db 14-pc
Florite Aldgs Obs 2.4: 3.55-pc
Foster Scot Counting 5-pcPr 1.925-pc
Galtx Carph 60-cbs
Green on 5-pcLn 1914 (asset
Green cost Frost Obs 3-pcLn 1914 (asset
IV Intl Corpn 25-75-cbs
INC 5-Cb. Units (Comp 1-cbs) and half
Wits to Sub Com 5-cbs
Ingersol-18-pc 3-pc
Ingersol-18-pc 3-pc
Ingersol-18-pc 3-pc
Ingersol-18-pc 3-pc
Illiamon't Benson Inv Db 2 21, Zupc
Kyncch 5-pcPf 2.275-pc
London County 3-pcComs 1-pc.
Cons. 19-pc. Sheifeld Retreatment Houses 1.7p
Trident TV A NV 1.25p

FRIDAY SEPTEMBER 3

COMPANY MELTINGS—
Brown Uchni, 4. The Suectuary, Westofficers of the Service Ser

M and G Genil Tet Spc
Maccherson (Lonsillo 1.5p
Metropolitan Wir New River Spc (B) 11-pc
Minas Garate State ob Beaul 61-pc
Minas Garate State ob
Ext Sig Ln 1928 64-pc
Montanto Ln 2-pc
Morthern - I-reland - Electricity 81-pcCtd .
1981-63 31-pc
Mora (Urser) Knitweler SpPeminaular Oriental Steam Navigation
DNa 14 11-pc (2000). ry U.) In 49c StepcRd 1986.88 Zhee ers (5) Pf 2.1pc

Saltrod 31:20:Rd 1986-88 Zhipe
Schneiders (S) Ff 2.196

Super Kent Wir 3.5pc (fmly 5pc) Cons 1.75pc, 2.5pc (fmly 4.5c) F of 210 1.45pc, 3.15pc (fmly 4.5c) F of 210 1.45pc, 3.15pc (fmly 5lood Roff of 1.575pc, 4.025pc (fmly 5lood Roff 1.575pc, 4.025pc (fmly 5lood Roff 1.983-85 2.0125pc, 4.2pc (fmly 6pc)

DIVIDENO & INTEREST PAYMENTS—
Alexanders Obscount Sept 4.2p
Alexanders Obscount Sept 4.2p
American Intil 2.1p
Bertifords 1.4p
Bristol Evaning Post 11.75p
Carclo Eng 2.8p
Carclo Eng 2.p
Carclo Eng

CHROMALLOY AMERICAN CORPORATION
diversified American Company
suncurred the appointment of
JOHN C. MATHERLY JOHN C. MAINERLY
to the position of Controller of its
European industrial Products Group,
Mr. Mathetly will also continue in
his present position as Obsector of
Finance and Administration of ALBE
SA, a Chromelloy subsidiery located
in Lugano, Switzerland.



COMMANDINGTHESKY



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Canadair Challengers has
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corporate customers. One reason
these important travelers have
chosen the world's only advanced,
wide-body business jet is
Challenger's proven reliability.
Corporate leaders know you can
count on Challenger for demanding daily use around the world.

In a remarkable performance achievement, a Challenger flew 70,000 miles in 48 days, with 100% dispatch reliability. Challenger offers you such dependability because it is built with state-of-the-art technology which outdates every other jet in its class. And it is certified to the newest, toughest commercial aviation standards ever.

For more information on Challenger's many advantages, contact Adel A. Oubari, Vice President of TAG Aeronautics Ltd, 14 Rue Charles Bonnet, 1211 Geneva 12, Switzerland. Telephone: (022) 461717. Telex: 289 084.

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ACTI

UK NEWS-LABOUR

Congress faces three options on split with NEDC

BY JOHN LLOYD, LABOUR EDITOR

week have been drawn over the past week in a series of private meetings between union

leaders and TUC officials. The two most divisive issues -the structure of the TUC general council and the TUC's relationship with the National Economic Development Council have resisted all attempts to bridge the gaps between the main protagonists. On Incomes policy, the TUC is likely to continue to look both ways at once though it may also commit itself to a wages plan aimed at

eliminating low pay. Motions opposing proposals to be presented to Congress by the general council, which set out a system for automatic representation on the council of all unions with more than 100,000 members, have been combined

This wil call for an examination of alternative plans for structural reform, with particular emphasis on improving representation from a wide range of industries through a revised trade group structure. Amendments to this, from the Post Office Engineering Union and the Association of First Division Civil Servants, will also form one resolution. This calls for the "automaticity" principle to be implemented but to be reviewed after five years.

Congress will face a choice of three positions over the The Iron and Steel Confederation, . un-most takes the extreme position, arguing that the TUC and its affiliated unions should "withdraw representation from all official and

ing Union, yesterday launched a campaign against the Government's plans to privatise BT, which it said were "unnecessary, divisive and against the interests of the community as

Government's recent Paper on the future of BT, the duction of private capital will encourage BT to eliminate

composite Scientific. Technical deferred until after the next

A set-piece debate is also expected on a motion from the construction section of the Amalgamated Union Engineering Workers. This re-affirms the TUC's commitment

to free collective bargaining An amendment to this from the ISTC "notes with alarm the current problems arising from free collective hargaining under the present government" and eeks support for discussions on earnings and incomes within the framework of the TUC-Labour Party liaison mittee's document Economic Issues Facing the Next Labour

But union leaders anxious to find grounds for constructive talks on pay with the Labour Party, avoiding the simple dichotomy between free collective bargaining and incomes policy, are looking to motions on low pay from the National Union of Public Employees and the General and Municipal

These call for the unions and the party to open talks on "a nationally negotiated minimum earnings level" together with action on minimum wages, strengthened Wages Councils (Quango-type) and a fair wages system.

BT sale plan attacked

BRITISH TELECOM'S largest union, the Post Office Engineer.

a whole." Department of Industry on the White unprofitable services.

The print union Sogat '82 and the white-collar engineering union AUEW-Tass will back a arguing simply for withdrawal from the NEDC. The Association of and Managerial Staffs, however, will proposa that the issue of membership of the NEDC be

Workers' Union.

Mr Bryan Stanley, general secretary, said: "The Government cannot have it both ways It cannot turn BT into a private company and tell it to act commercially, and at the same time require it to carry out nonprofitable operations which would be unacceptable to any

normal company. which last BT. week announced record profits of £458m, is planning to reduce its workforce by 15,000 over the next five years through " natural

Phoney war combatants concentrate on keeping their powder dry THE 114th Trades Union Con-John Lloyd, Labour Editor, reports in the

gress, the fourth since the present Government took office, will take place in Brighton Conference Centre on the seafront amid the pounding rhetoric of a phoney war.

The TUC's main campaign. and the issue seen by its cadres, its supporters, and its enemies as the most crucial test facing it, has been on the Govern-BATTLE LINES for the major government bodies, including ment's employment legislation, debates at TUC Congress next the NEDC." perhaps the most important in the legislative programme, and clearly aimed at the unions. But the two sides have not joined in struggle.

Instead, both the TUC's militancy and the new legislation have been largely shielded by 3m unemployed. No one can do more than guess at the outcome of the battle once the speech-making bas to stop and the action begins.

The TUC annual report records that there has been both much speech-making and

Trades Union Congress

first of a series of articles, on this year's

year it bas held a special conference of executives. in Wembley, to unite unions round an "eight-point plan" of opposian annexe to the report, came from most of the movement's leaders.

Mr Ken Gill, general secretary of the white-collar engineering union, AUEW Tass, told the executives they were not there to "define and appraise" Tebhit but to bury bim. Mr Tebbit remains unburied. In the past year some

£323,303 bas been spent on propaganda - posters, leaflets, pamphlets, conferences, and a video programme, "Defend programme,

much propaganda. In the past Your Unions," presented by Colin Welland, actor and film

writer. On Union Day, June 10. some 9m leaflets were given out to tion. The speeches, printed as the general public, which has remained unmoved.

At Congress next week, more motions—from the mineworkers, Ahe engineers, the firemen and the sheetmetalworkers-will call for still more militant resistance to the new legislation. The unions have much to

fear, however. The 1980 Employment Act—the "Prior Act"-has limited their immunities, constrained the operation of the closed shop and all but outlawed secondary picketing. The 1982 Employment Bill—the

end of the year, lays open union funds, further limits immunities and the operation of the closed shop and strengthens employer's right to

A further Bill, to be the subject of a Grean Paper about the time the Tebbit Bill is enacted, will probably make election of union executives by postal ballot mandatory and may propose other changes in union

Together, the Bills go far towards the Government's objective of:reducing unions down to being fairly unimportant associations of workers which bargain for better wages in a mild. and rational manner. This is not a role for which tha unions, right or left, have any liking. The reason why the thunder-

ing on both sides must be regarded with scepticism is that

"Tebbit Bill"—to be law by the ment has advanced while the widespread sympathetic action end of the year, lays open union TUC has retreated, which has on September 22 in flagrant

But only the unwise will conretreat with nne bleeding to death, and Mr Tebbit is not an prising if the ploy worked.

He will consider that of the two court cases brought under his predecessor's legislation Hadmor v ACTT was decided in favour of the union, while the second, the Newspaper Publishers' Association v Mr Sean Geraghty, resulted in the latter Traffic Controllers were being fined a mere £350. Mr. Tebbit will wonder what

real fury the uninns could workers and so will they.

both have been careful to keep be a unifying theme at Brighton part in the economy? The their powder dry. The Govern- with the unions pressing for question has yet to be answered.

infuriated left wingers in the breach of the 1980 Act-partly to tempt Mr Tebbit and the employers out of their corner fuse a movement in tactical and then take them on in the courts. But it would be sur-

On the eve of Congress, less than a week hence, the TUC will report a further large drop, some 600,000; in membership Yet the proportion of unionise employees remains roughly the same, even slightly higher than before. No union has been "smashed," as the U.S. Air President Reagan's Administra-

The strategists on both TUC muster to defend an imprisoned and Government sides know Mr Geraghty if he had been well that the last 34 years have martyred with swingeing fine been spent manoenvring round well that the last 31 years have in the cause of the bealth one of the central questions of British politics—on what terms The health workers' cause will is organised labour to play its

Community Programme 'could boost jobs'

Talks start on implementing Liverpool docks package

Union officials and shop to attract the trade essential to

of previous policy but we rea- July, after a deficit in 1981, of lise it has got to work if we are £7.5m.

aurvival.

estimates that the Government's new Community Programme for the long-term unemployed could provide many more full-time jobs than the scheme it is

In a letter to London voluntary organisations—which have decided to black the new Community Programme (CPS)-the MSC said: "We estimate that there will be at least as many full-time jobs in the system as

The CPS, unveiled last month by Mr Norman Tebbit, Employ-holder would give them more The unit says that the CPS ment Secretary, as a replace than £8 over their benefit level; scheme is "thoroughly bad" ment for the CEP, offers three days work would take that and that interested unions in

FINANCIAL TIMES REPORTER

EXPLORATORY talks for the

mplementation of the two-year

pay and productivity packaga for the 2,500 registered dockers

on the Mersey open in Liver-

pool this morning, between that port employers and the Trans-

port and General Workers'

The union negotiators on the

port modernisation committee

were able to get the crucial deal accepted by most of the

men last week, after four

months' negotiation.

THE GOVERNMENT'S employ- several days' work and several advantage to more than £15. ment services agency, the days training to those who take Manpower Services Commission, part.

Mr Jeremy Surr, head of the MSC's Community Programme Branch, says that if sponsors of the scheme decided to maximise the number of full-time jobs they could so distribute the funds available to provide for 65,000 places at five days (on an average pay rate of £75) to balance 65,000 three-day places (on an average wage cost

of £45). The MSC argues that many there currently are under the of those taking part will be conCommunity Enterprise Programme (CEP) (ie 30,000). received only state benefit.

There could well be many

As an example, the MSC says that two days' work for a single person who is not a house-

stewards now have to ensure

the smooth working of the

stretching of the gangs in

certain areas, and reduced

manning in others, including the

Royal Seaforth Dock complex.

This is to ensure a pool of men

is always available when there

Mr Denis Terry, chairman of

an upsurge in trade.

the port shop stewards, said yesterday: "It means a reversal

The letter is a clear attempt to persuade the voluntary groups in London to reverse their decision to black the new scheme. Such groups currently cater for about 90 per cent o London's long-term unemployed who are on CEP schemes.

The groups feel that the pay rates will be insufficient attract participants, and that voluntary bodies are already over-stretched by the smaller Support for the groups' doubts provision for training.

about the CPS comes in a briefing paper from the Unemployment Unit pressure group, which argues that "there is nothing to recommend" new scheme

The unit says that the CPS scheme is "thoroughly bad"

"We have given a lot away in

negotiations over the last two years and it will take time for

absorbed but there must be as

There is no doubt the dockers

have been shaken by the an-nouncement last week by the Mersey Docks and Harbour

Company, that it lost £1m in

these latest changes to

little delay as possible.

iocal government should refuse to co-operate with it.

It argues that a better scheme ould cost no more, since for the same net cost as the CPS a scheme providing 130,000 fultime jobs paying up to £89 a week could have been provided, rather than the same number of only partly paid places.

The unit says that under the CPS, very few participants will. be better off than they are nn supplementary benefit, and that under its terms there is no real

Also, the unit forecasts that the number of the long-term unemployed now im, will increase by 50 per cent over the next few years. If unem-ployment stays at about 3m for 30-40 per cent of the total will be long-term unemployed.

• The Ribble bus company's

depot at Aintree, near Liver-

pool, will resume north Mersey

side services this morning.

final appeal rejected.

at Birkenhead

mittees' activities.

mittees would be acting in the council's name. The company said it will save nearly £1m by the recent closure of its cargo bandling operation The document acknowledges the "vital contribution" of the local committees to the 1981 pay campaign, but says there They had been halted by an

industrial dispute over the weekend. The 103 drivers committees. walked nut on Friday, after a colleague, who had been dis- of limited responsibilities for next meeting in the hope of missed for indiscipline, had his the local committees, including achieving a consensus on the assisting in education, recruit- issue.

Civil Service unions may curb local joint committees

BY PHILIP BASSETT

are proposing tight restrictions key issues. on the operation of foint local union committees. Securing the reintroduction of these committees was seen as a key gain for Left-wingers at the unions annual conferences earlier this

Union leaders are split over confidential paper on the reinstatement of local committees, which effectively ran, at local level, the 21-week campaign of strikes in the Civil Service last year over pay.

The majority of members of the Council of Civil Servica Unions believe that local comaccountable only to their com-mittees, in order to distance the from the local com-

However, others are arguing that clear lines of accountability should be drawn to the council centrally because the local com-

are a number of ontstanding problems to be dealt with if the council is to meet unions' policy decisions on permanent local

The paper sets out a number

CIVIL SERVICE union leaders - ment, and other relatively low

However, it states: "It must also be made clear that the local committees do not in any way cut across or supersede the policy making and decision taking that they have no power to issue instructions to members of affiliated unions or authorise industrial action, and that they have no negotiating responsibili-

The report suggests that pro-portional representation on the committees would be inappropriate, and says instead that constituent council umons should have a maximum of two seats each.

Financing

It relates this directly to the financing of the committees, suggesting the unions should fund them on the basis of seats taken, Alternatively, it sug-gests they could be funded cen-trally, though this could recreate annually the acute probtems of "equalisation," apportionment of last year's strike costs, which caused difficulties within the council earlier this year.

Council leaders will consider the document further at their

This announcement appears as a matter of record only.

NEW ISSUE



August 31, 1982

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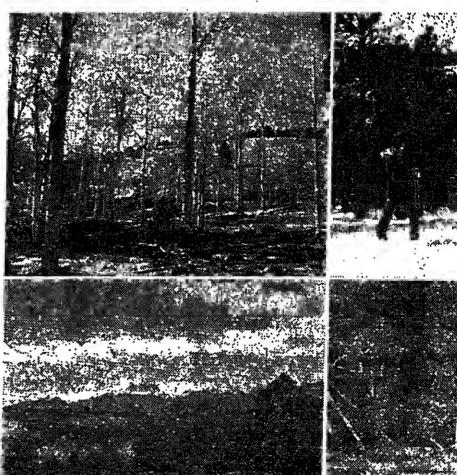
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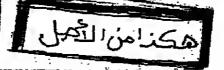
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What you're looking at is no Sea of Tranquillity.

Neither is it a scene from the imagination of some science-fiction artist (although we commissioned one of Britain's finest sci-fi artists to paint it).

It is what you would actually see if the waters of the North Sea suddenly became invisible.

Silhouetted against a huge moon are the four giant production platforms that form the core of the Brent oilfield.

The Brent Field, operated by Shell, lies far out to sea, roughly halfway between Scotland and Norway, and about 100 miles northeast of Shetland.

The painting shows (from left) the production platforms Delta, Charlie, Bravo and Alpha, each towering well over 700 feet above the seabed in its steel, or concrete, socks,

They are built to withstand onehundred foot waves and winds gusting up to 160 mph while continuing to collect oil and gas, 24 hours a day, from rock depths lying some two miles beneath the sea-floor.

Floating in the far distance (bottom right) is the drilling rig Stadrill, prospecting for oil in another part of the Brent Field.

And riding the invisible seas with contemptuous ease (top right) is the 23,000 ton semi-submersible, pipe-laying barge Semac I.

FLAGS: a major new gas-gathering scheme in the North Sea.

We used Semac I to lay one of the world's longest, largest, deepest undersea pipelines. (The painting shows the pipe being fed over the stem of the barge and trailing down to the seabed.)

The pipeline is the backbone of a major new North Sea gas-gathering scheme known to the oil industry as FLAGS: Far North Liquids & Associated Gas System.

It will enable us to bring ashore the substantial and hitherto untapped gas reserves of Brent and other oilfields in the northern North Sea.

The FLAGS pipeline, 36" across and made of steel coated with concrete, runs 280 miles along the seabed between the Brent Field and St. Fergus in Scotland.

Laying it was an astonishing feat.

The North Sea is no millpond. It is quite the most hostile stretch of water the oil and gas industry has ever tackled.

Much of the pipeline was laid in appalling weather: force 10 gales, thick fog rolling in the troughs between giant waves, zero visibility.

The FLAGS system will before long be supplying some 12% of Britain's gas needs. (The Brent Field already supplies about an eighth of Britain's oil.)

But neither statistics nor adjectives (nor the vastness of our operating costs) can ever give you a real sense of the scale and scope of our work in the North Sea.

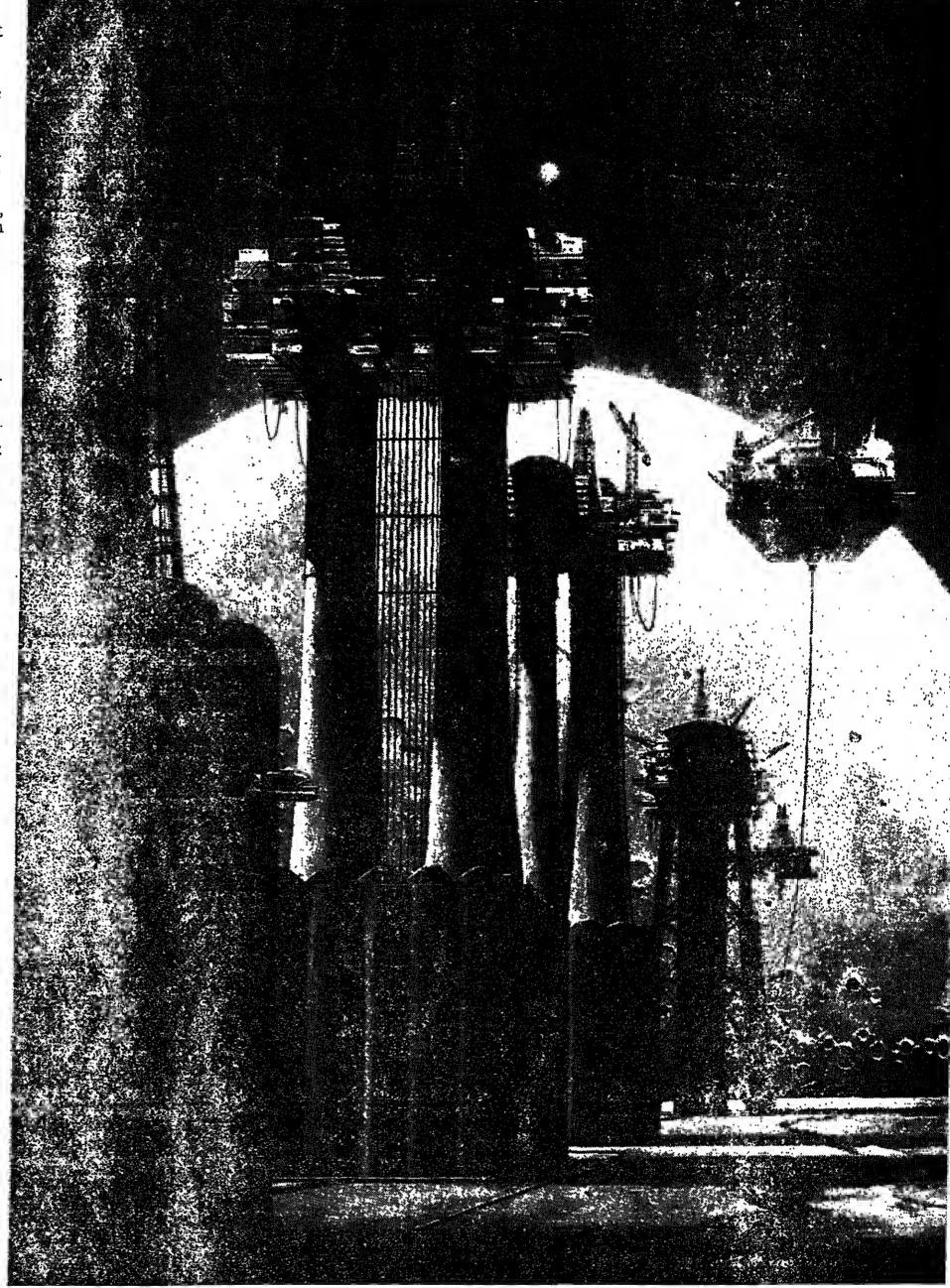
The Brent Field: an offshore oiltown.

The Brent Field, for instance, does not simply consist of the four great platforms attended by a pipe-laying barge and a drilling rig or two.

Several other giant structures (like the floating oil-storage and-loading facility, Spar) are nearby And platforms may be attended by 'flotels' (floating hotels) and semi-submersible diving barges.

Tugs, tankers and supply boats ply the surface, the latter bringing in everything from drill-pipe, cement for well-casing and drilling mud, to food and fuel.

-Under the surface, mini-subs and diving-bells are at work. While in the skies, heliconters constantly come and go,



bringing in vital tools and flying drilling crews and other technicians in and out.

Our platforms and rigs are crewed by over 3,000 men, who manage to tuck away well over 100 tons of food each week.

Power to keep the big platforms working is generated by turbines similar to those which fly large jet aircraft.

Computer banks continuously receive and process information about subsea oilwells and the many working functions of each platform, key data being relayed simultaneously to the platforms and Shell headquarters in Aberdeen.

The cost of these operations is so immense that it beggars description.

One way of putting it is that Shell's expenditure in the North Sea has amounted to more than half a million pounds per day, every day for the last eighteen years.

When we add up our chequebook stubs, our total investment to date works out at more than £4,000 million in 1981 money. Those figures double when you include the sums invested by us on behalf of our partners.

A conquest to rival the moon-landings.

Although there are projects which cost more, in terms of sheer technological innovation there is no other achievement on earth to match the conquest of the North Sea.

We have pushed back the limits of technology so far that the only feat which invites comparison is otherworldly: the placing of the first men on the moon by NASA's Apollo space programme.

As a matter of fact, the computerroom that monitors our operations has a great deal in common with that famous control-room in Houston.

And Shell is proud to be in the forefront of an endeavour which only twenty years ago, would have been dismissed as pure science-fiction.



You can be sure of Shell

At last, someone has had the

courage to say it. For a con-

sidered view of modern erchi-

tecture in future we will know

where to look. We should sit at

the feet of the wise and

learned Mr Owen Luder who is

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THE ARTS

Architecture/Colin Amery

A new critical language of three-letter words

none other than the president of the Royal Institute of British Architects. He has pletives that expose the hideous .. one of the reasons for the in- hall Cross site competition just broken through the baffling thought that they were all trybabble of the critics, stifled the screaming semiologists, attacked ing to design agreeable, careful, the arguments of the academics. well mannered huildings that In one bold stroke he has given you can find your way around. voice to the views of a whole Not so—architecture today ie generation. It happened like out to abuse.

Of course many of us had a faint suspicion that this might He was standing in front of the gleaming silver model of the be the case—and it is e relief, can tell you, to know that at entry by Richard Rogers for the last the elected leader of a profession that has so much influence on our lives has let when the moment of illumination came. "This," he said to a the scalee fall from his eyes. The effect on criticism will be were by chance passinge at the profound. When will the hrave President come out and admit _aame time, " is a aod you huildthet many of the buildings It was a moment of truth. So designed by members of his that is it. The whole barharous Expoint of ao much modern archiinstitute can now strugle for the ultimate accolade? When tecture was suddenly made only too clear. Architects have all along been following the will he dare to speak again and name those buildings worthy of the four-letter word Presidential seal of approval?

Luder line and designing hor-rible buildings quite deliber-otely. In the true spirit of The sudden gust of fresh air into the atuffy corridors of modern huildingo are architectural criticism that bas designed as deliberate insults, as blown from the top of the proaffronta as crude and coarse ex- fessional tower block may be as they were during the Veux-

exhibition of finalists at the with the National Gallery. I suspect that developers. the Luder line - back your favourite and forget professional reticence, iet impartiality - has ao incensed most thinking people that they thought that this was one com-petition that is far too important to be left to the architects.

On the second day of the exhibition more than 10,000 people crowded into the board room of the gallery to see the models and plans. Their viewe will he takeo into account by the judges, and it is thrilling that Londoners are now showing that they really do care about the look of their city. They always have cared but competitions do offer them a real chance to have a viaw.

The views of the public should be considered end the competition is a little vague about the status of these viewe. All that matters le that they are not blatently disregarded,

reelity of modern life. And we credible popularity of the because they did not eccord views of with the

I often wonder, as a rather

old hand at looking at architects' plans, models and pre-sentations — what exactly the man in the street makes of it all. First of all models are very misleading things. They tend to show buildings as they are seen only by the Trafalgar Square pigeons. If possible try to look at them at eye level. They also offer little clue about materials. The street facade of the exceilent proposals by for example, has arched stone panels which are to be made

of smooth Bath stone which atand out in grld patterns against the Portland Stone walls. Think of the two colours of the stone and you have come idea of the suitability of the fecadee for the Trafalgar Square

the Gallery relate to the old? Agein the ABK scheme with grand barrel vaulted spaces offers en enhanced dignity to galleries and seem to understend the point of architectural continuity - which is not the same thing es copying or pastiche. What will it be like having a cup of coffee in the basement coffee room of this scheme looking onto a sunken garden? Will the lifts and steirs be adequate for the large numbers of visitors? Apert from the feel of the huilding incide end out and its relationship to the Square-how well do any of the entries deal with the complex conditions needed for showing pictures?

The Netional Gallery is, after all one of the few galleries in the world where everything that the gallery owna is on public view, and this can cause problems. The technical conditions Ahrends Burton and Koralek, are matters for the gallery end the assessors. Public views will give perhape subjective reacbut these are important. What the excitement and public interest shows far more clearly than the ludicrous comments of the RIBA is how complex and difficult it will be to make the right choice. Making judgments is more difficult thap Mr Luder realiees—kind though it was of Plans too never quite seem realises—kind though it was to tell you enough. How do the him to try and simplify the for the next extension of critical climate.

EDINBURGH FESTIVAL

American Repertory Theatre bring Lulu to the Lyceum; below, new Japanese dance

neke an evening together that no company need be eshamed of presenting, so it is bard to see why Robert Brustein's prises Carbooe end his model American Repertory Company at the Royal Lyceum Theatre should take such eteps to conceal what they are showing. Changing most of the characters' namea is harmless; opera librettiats do lt all the time. But to hide the plot under a fantastic conceit oet first in a photographer's studio, then on a film set, ia nothing but

man by Schoen, now called she spends the interval in Louis B. Lebow, and then we prison. find Schwarz, now called Car- The second play is given a photos are projected on a big

director's arrogance.

screen that stands centre stage and is used to present a good the Ripper, and by opting for

Wedekind's two Lulu plays deal of the action, by projection or by shadow-play.
Gall (Wadekind's Goll) has heart failure when he surin an embrace. So Lulu marries Carbone, as it ie her protector Lebow's obsession that she muet marry someone hut certainly not himself. Carbone jumps from a 40-storey-high window

when he discovers Lulu's true character. All the subsequent infidelities turn up (including one with a versifying Arab oil man who rhymes with Mexico with Texaco) Countess Gesch-The plot stays chiefly as witz, now called Lady Swetting. Wedekind left it, though makes ber leabian advances, and Michael Feingold's free-wheeling Lulu finally shoots Lebow after American dialogue is as differ be hae capitulated to her de-ent as could be. We atart with mands for marriage. A comic a abort announcement in Ger-policeman errives at once end

bone, photographing Lulu, a eimpler chape to ensure e more beautiful coloured actress cohesive narrative. Alan Lebow named Catherine Slade. The (formerly Alwa) is directing a cohesive narrative. Alan Lebow (formerly Alwa) is directing a film of the unbappy events that end with Lulu'o murder by Jack

cine-verité he lets us actually see some straightforward action going on. Not much, though, for Lee Breuer, the director, is evidently against acting as we know it. The characters are made to speak through handbeld mikes, which conceal half their faces, handicap their gestures, and impose radiovoices that neither sound like properly spoken theatre speech, nor always seem to come from

the speaker's direction.

Most of the company make little attempt at acting, but Miss Slade puts over a very attractive performance as Lulu, though she has to do a lot of it with her beck to the house. The rest is carroon-play.

We saw in the ART's other production, Sganareile, that they are quite capable of playing with charm and ability when called on, but both that and Lulu suggest that subtleties of characterisation are not among the merits for which they choose to be known. If this is charac-teristic of advanced ideas in the Eastern U.S., when etandards of acting are in general improving throughout the English-speaking world, it is a sad thing. At least we may be grateful that it hasn't yet infected the Long Wharf Theatre in Newbaven, dangernusly close to Yale, where this company began.

B. A. YOUNG

Summer Music round-up

Max Loppert

vears were spent obsessively Whatever the reason, the effect contemplating and slowly put- of these rough-cut gems—ting together hut never complet- notably. Lady Medeline's two ing an Edgar Allan Poe opera, The Fall of the House of Usher. When he died, there remained of the project only fragments, some more substantial than

Since 1962; when a facsimile of the most sizeable of the frag-ments was first published, various attempts have been made to present these tantelising scraps in as coherent and performable a version as pos-sible. The BBC played its usual alert part; Andrew Porter described on this page e 1977 Yale University reconstruction; and at about the same time the Chilean composer Juen Allende-Blin gathered together (orche-strating whet and where he deemed necessary) a House of Usher score. It was on this lest that Sunday's London Sinfoni-ette presentation at the Festival Hall. In the Finale to the 1982 South Bank Summer Music series, was besed—this was, apperently, the first live British performance of Ln Chute de in maison d'Usher.

Tantalising ecraps indeed, Some doubt bas already been cast on the propriety of Allende-Blin's handling and scoring; certainly, of the ten or so sections presented (interspersed with a not eotirely happy spoken commentary by the actress Cherle Lunghl) by Simon Rattle on Sunday even-ing, it was easy enough to detect moments sounding either faultily Debussyan or simply, in incompleteness of the work the more intense-much of what we heard was impalpable, yet much waa keenly suggestive of a Pelleas operatic style grown yet leaner, sharper, and pyschologically more acute.

An argument has been advanced that Debussy's crucial inability to make more than Poe libretto-in which large changes of direction (occasioned or halanced dramatic unfolding engaged.

Debussy's cancer-ridden last all hut impossible to co-ordinate. brief lyrical interspersions, the charged neo-Musorgskian monologue for Roderick, or, most remarkably, the long mélodrame of the penultimate fragmentwas out of ell proportion to their length, even perhaps to their immediate comprehensi-

bility. The final fate of The Fall of the House of Usher must remain no more than this; yet I should he the last to complain of such an experience, mesmerically gripping, a vigorous stimulus to the imagination of all Debussyans — and, surely, others heside them.

The purely musical portion of Sundey's reading, supplied with expert singing by Philippe Huttenlocher (Roderick), a radiant Jennifer Smith, (Lady Madeline), Philip Langridge (Doctor), and Ian Caddy (also a brave French speaker, though less than absolutely perfect, in the Friend's mélodrame), indicated thet this work hed received a closer degree of rehearsal consideration from Mr Rattle than the other works on Sunday's bill-or, for that matter, then most of the four on the Sinfoniette schedule the previous Friday evening in the

deogerously thin over the last fortnight. Sundey's accompaniment to the solo part of the Mozart C minor concerto, K491 (with Annie Fischer a piamist all censes, sketchy. But tao. (with Annie Fischer a planist talising also because euflicient in whom visionary poetry and was disclosed of a drematic nervous stumbling mixed with vision containing within itself a unaccountable frequency). was suffocating potency and distinct punctilious in support but im-ness to make one's regret at the mature and characterless in mature and characterless in every other particular, Likewisc, Aifreda Hodgson's calmly magisterial account of the Mabler Kindertotenlieder on Friday was sung to what sounded unbeppily llke femiliar, adept Londonorchestra sight-reading rather than anything more meaningful. Sunday's Stravinsky Symphony of Paolms (with the London erratic headway on the task was choral Society) was thoroughly in major part determined by unsatisfactory; the Szymanowski the shape and nature of his own Stobat Moter on Friday (with the Sinfonietta Voices) was no more than a hint of what this perhaps by his own close marvellouely talented young identification with Roderick conductor can do when his full marvellouely talented young Usher) left a properly weighted sympathies are sensibly

Berg & Mahler/Albert Hall

David Murray

Mahler tradition as it does, Berg's Violin Concerto made an odd sort of prefece to Mahler's First Symphony in Saturday'a Prom. Salvatore Accardo wao the sterling soloiet - technical omni-competence, a suitable sweetness of line, and the unselfishness to choose the less showy, more lyricel option in the cadenza (which lets an orchestral viola or two relleve the violin of half his difficult canon). Claudio Abhado and the London Symphony produced soigné sound but too little tension in the first movement. An increased sence of purpose made itself felt once the music entered its more dramatic phases; one rarely heers the rich horn perts so finely shaped and prominently effective.

All the same, the performance

with even the elegiac import of the Finale taking second placa to its objectively fascineting construction (superbly balanced by Abhado). A similer coolness was a greater disadvantage in the Mahler First, where well-engineered climaxes in the monster Finale-" Dall ' inferno al paradiso"—were no substi-tute for the reckless involvement it demands. And in fact it took a long time bere for the LSO to get anywhere near its best, form; for the opening pages of the eymphony Ahbado eecured the perfect sound, a kind of teeming stillness, and yet the woodwinds who drop the "motto" across it botched their unison elmost every time. Ensemble pleying wes most un-

Of deliberate roughness there

characteristically rough.

Coming et the end of the was more refined than moving. .. was too little. In different weys, the middle movements of this young man's symphony were intended to be rawly disconcerting. Ahhado la probably two sophisticated to cepture the lusty peasant thudding of the Ländler with a clear conscience, and the strident jeer that waits bebind the mock funeral march on "Frère Jecques" was firmly repressed. (The whole point of the initial double-bass solo is to sound weird and strangulated; here it was played rather beautifully — and the quick-march eruptions of malicious glee were made elmost suave.) In short, the glaring poster-colours of the symphony were turned into decorous hues. Plenty of cal-culated drive, little real hite; I wished Abbedo were conducting the Fourth Symphony

Obituary/Ingrid Bergman

Michael Coveney

Mr Rattle has been epreeding his prodigious musical gifts Bergman was an actress of Leslie Howard in Intermezzo: A of ber three Oscars. Love Story in 1939, her Hollywood debut, she was renowned she began her fruitful collahorafor her lack of both sophistication and make-up.

> That film was about marital infidelity and prefigured the storm of righteous publicity that surrounded her liaieon with the Italian film director Roberto Rossellini. After filming Stromholi with him in 1950. she gave birth to a child though. she gave birth to a could though, at that time, the couple were unmarried. Rossellini became her second busband. She was married three times end divorced three times.

During the war years she enjoyed remarkahla success, playing with most of the leading men of the day. With Humphrey Bogart in Casablonca (1942) she Autumn Sonata (1978), a long- 1974.

aged 67 following e long illness, tearfully by the plano "As ber namesake.

was one of Hollywood's biggest and most popular stars. Like with Gary Cooper ("Did you with Gary Cooper ("Did you weir in a film premiered this country to the plant of the plan Greta Garbo, she was born in not feel the earth moving?") Stockholm, but comparisons in For Whom the Bell Tolls with her compatriot end there. (1943) prompted James Agee to praise her blend of poetic great natural charm and trans-parent freshness. From the opposite Charles Boyer in Gasmoment she starred opposite light (1944), she won the first

In the following two years ring with Gregory Peck in Spellbound and with Cary Grant (one of her staunchest frienda during the later period of Hollywood ostracism) In Notorious. She was forgiven by Hollywood on her come-hack in 1957 with Anastasia, for which she collected a second Oscar.

She will be affectionately remembered, too, for The Inn of the Sixth Hoppiness (1958) in which she played a Chinese missionary, and for guest of loyal and affectionete appearance in The Yellow audiences, Earlier this year, Rolls-Royce (1964) and Murder following ber third illness on the Orient Express (1974). through cancer, she bad a She enjoyed a great succes mastertomy operation. She had d'estime in Ingmar Bergman's suffered with the disease since

Ingrid Bergman, who has died secured enduring fame, emoting awaited and brilliant union with

with Gary Cooper ("Did you Meir in a film premiered this not feel the earth moving?") year on American television. She remained an avid theatrygoer while resident in London for the last years of her life. In Britain, she appeared in the opening production of the Yvonne Arnaud Theatre in Gulldford in 1965 in a revival of Turgenev's A Month in the Country. Her last elage eppearance was in N. C. Hunter'e Wnters of the Moon at the Haymarket Theatre in 1978. She had four children.

Miss Bergman had also been

eeen in recent London revivals of Shaw's Captoin Brassbound's Conversion in 1971 and Maugham'e The Constant Wife In 1975. Her star quality may bave heen more apparent than any great technical precision in se roles, but she remained a figure of style and un-ostentatious glamour in the eyea audiences. Earlier this year, following ber third illness through cancer, she bad a mastectomy operation. She had suffered with the disease since their faces covered with shape-

The Dream of the Boy with the Shaven Head

Sankai Juku/Music Hall

B. A. Young

This is where I reveal myself se a Phillstine. My excuse must be that Butoh, the new form of Japanese dance practised by Ushio Amagatsu and his Sankal Juku company last week in the Music Hall, "abjures thought, Music Hall, "abjures thought, stage, their skirts fall below the movements precedul or ex-expression and languaga." The their bottoms end they per-citing. Certainly there were Pattern is consciously opposed formed whet in the worst would be entitud pictures made as the not only to existing Japanese dance traditions but to Western grind movement. traditions es well.

In a performance of Kinkon Shonen (" The Cumquat Seed ") which specifically announces what, the scenes represent. where does this leave us? Let me try to deecribe some of what I have seen. First, "The Stir-ring of Memory." A dancer clothed in modern dress hut covered all over in white chalk, atande before what I take to be a mirror. He yawns, then falls suddenly on his hack, repeatedly he moves to a-pile of chalk dust, inhales some and

grubby canvas trailing about ment, may find it different. One their feet. They make very slow tion to their spread fingers. When they turn to leave the

"The Vanity of Nature." A figure enters holding a live pcacock in his arms; he moves its neck into e new position. Then he swings it so that it is perching on his back, from which it soon hops off, but stays on the stage the rest of the evening. In a later scene, where two men stand in spotlights and a third spot remains empty, the bird magically goes and takes its place there. All the movements are car-

masks, long skirts of tions includes long, slow move- ue.

scenc, "The Place of Capture," gestures with their arms, seem- involves a dancer hanging upingly to direct especial atten- side down more or less motioniess for an immense time. 1 confess that I did not find

be recognised es a hump-and- white figures moved under their spots before a screen decorated with 1.500 dried tuna fish tails, a symbol of visceral expression. f was impressed by the clear physical fitness that must have been needed for some of the routines. But I was never moved.
In "The Creeking Laugh"

Ushio Amagatsu stumps around the stage, his knees drawn up to his chest under a short rohe, tooking like a dwarf, while the baspipes play on the tape—a feature the Scots evidently rescoted, for whole class of

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ACROSS 1 Past history in a stout book? (6) 4 Angry at having no score in the set piece from Norway (4,4)

9 Fine for she-donkey? (6) 10 Tree-moss spreading in the county (g) 12 Think deeply about master-

piece carrying scents (8) 13 Dance spelling farewell to part-time soldiers (6) 15 Offhand and breezy (4) 16 Coming from Douglas, say, it does not occur naturally

20 Tailless pig fellow finds near the White Horse (î) 21 Cruel knock-down? (4) 25 Shrinks with fear like bobwhite family (6)

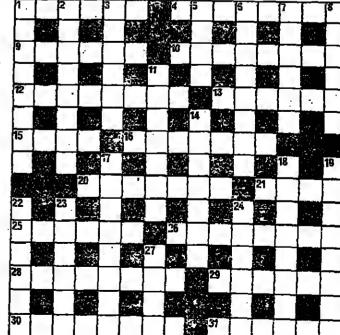
(3-4)

26 In France, Tom takes waters for keeps (8) 2g Sunken design of oil-giant dispelled (g)

29 Florentines who did not 30 Demanding much former playing (g) 31 Nothing to pinch, like bones

DOWN I Harvest fruit in show again (8)

2 Ready money and nothing more for fine wool (8) 2 Revolting swelling (6)



5 Image of defaced coin (4)

ties? (6) 8 Cricket gear hold-all for the smiling Packer? (3-3)

smiling Packer: (50)

11 Stays behind when seminar raced opening (0)

27 Briting sounding average

about what is debatable (7) 17 Hooter not important at

19 Linen-producer 6 Intrensigents did share out Slack number in glut (44) 22 Escort becoming risqué (6) finish course of tablets? (6) 7 Overcoat for northern coun- 23 Mediator's object-word is almost a snare for trespassers (G)

> The solution to last Satur-18 Having the soothing quality published with names of of Dee vista perhaps (8) winners next Saturday

Canon's new range designed for the low volume user

Personal copiers without maintenance

BY ELAINE WILLIAMS

of photocopying machines aimed at the small user.

Canon says the new range of personal copiers eliminates the need for maintenance by service

The problem of maintaining these complex hits of machinery Particles has been a major barrier to the use of plain paper copiers by the small user with low volume

Canon's new range of plain paper coniers fit on the desk and visual alds. have disposable parts. They All plain have features which are as ale on the

Bowes. Uotil now only coated paper copiers using seosiused paper have been priced low passes under the drum. The ink enough to attract the small is then fixed by heating. Canon

There are two models in the

launches a revolutionary range manually fed, is the smallest of so that the machine does not its type io the world. The PC20 oeed to be left on all day, is slightly taller to accommo. The copier is built around a allow continuous copy feed.

Both microcomputer coooresentatives. Irolled machines will pre- all the other parts which wear Anyone who has been faced produce copies on to non-out in such a machine. with the problem of hunting sensitised paper ranging from around the office on a Friday air-mail thickness to card. A afternoon to find a working floating pressure-sensitive roller machine will appreciate Canon's automatically adjusts to cope with varying paper thicknesses.

In addition, the machines cao accept metal surfaces and will also copy on to film for overprojection and audio

All plain paper copiers operhave features which are as ale on the same principle, sophisticated as larger machines. Using a lens and focusing hut are far cheaper. Prices will arrangement the image of the he in the region of \$600. writing on the paper to be By entering the low cost end of the market Canon competes against coated paper copying particles of ink stick to the machines produced by conparties such as 3M and Direct control of the image of the writing on the paper to be copied is stored temporarily on a photosensitive drum. Tiny particles of ink stick to the drum—which has become also

The ink is then transferred to a plain sheet of paper as it says that the copier is quite ecocomical to rue as it re-

Tomorrow Canon, the Japanese Persocal Copier raoge—the quires only moderate heat for business equipment and con- PC10 and the PC20. Caoon fixing. It takes about 20 sumer electronics company claims that the PC10, which is seconds to warm up the copier date a plain paper cassette to disposable cartridge containing a photosensitive drum, develop-

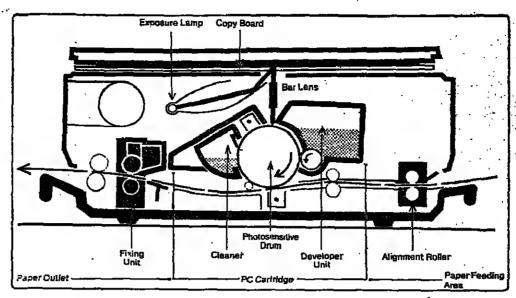
> After about 2,000 copies have been made, the cartridge is thrown away. Based on the prices announced in Japan, a cartridge would cost about \$100 to replace. Canon says that eventually prices would be less than 10 per cent of the new

> ment and toner assembly and

Mr Fujio Mitarai, President of the company's U.S. subsidiary. said that the company aimed to reach production levels of 20,000 a month during the first

its output in the U.S. by the end of next year. Initially however, the emphasis will be on home Japanese sales with over-seas introduction beginging in November, Eventually, exports are forecast to grow to 70 per cent of total production. Market analysts in the U.S.

helieve that the cost of the copier will be crucial to its success, especially the price of the disposable units.



Chinese method speeds wine maturity

As a keen home wine brewer. I am often impatient about waiting mooths for my wine to mature. Chinese commercial wine-makers seem to have the same problem.

technologists However.

the maturing time down from months to a merc 12 minutes by the use of an electronic device which emits bigh-frequency radio waves, ultrasonic sound and ultraviolet light.

Apparently this combination drives the barsh and astringent flavours out of new wines. About two dozen wine companies in China have obtained good results with the device which costs around \$10,000.

Lasers

Prototype stabiliser

BRITISH Aerospace Dynamics has demonstrated a prototype stabiliser for hand-held laser range-finders. The system, intended for military applications, is intended for soldiers with shaking hands.

The system helps the opera-tor hold the laser beam on target for the short time required to measure its range. Without stabilisation for a cumbersome tripod mounting, it is not easy to get the correct range.

British Aerospace has produced the prototype stabiliser for belicopter trials. More information on 0438 2422.

Gearboxes

Improved torque

LOOKING for a precision reduction gearbox? Portescap of Reading has introduced a new model in its RG1 range with an improved torque capacity compared with its existing models. The RG1/9 is designed to

operate with all Escap motors in the company's 23, 26, 28 and 34 series. It offers 13 reduction ratios from 5.5:1



to 9720:1 as standard but other ratios are available, if required. More on 0734

Machine tools

Profile cutter

SHAPECUT Machines Reading has introduced co-ordinate drive line following profile cutter designated the Copycut 3000. There are two sixes with tracing widths of 50 or 60 inches and cutting widths of 60 or 80 inches. Details on 0734 696565.

Valves

New range

A new range of shot metering valves to handle high viscos announced by Kent-Moore UK. The company is at Stockfield Road, Acocks Green, Birmingham (021-707 6955).

Fire sprinklers

'Memory' metal shows promise

BY MAX COMMANDER

NITINOL, a nickel-titanium alloy, is a rather unusual metal. sounds more of a job for a It has been called the one with midwife) the contraction of the a memory becauses it can metal releases the water.
expand or contract when heated The prolotype as an and return to its original shape

when cooled.
Now, researchers at Battelle Columbus Labaratories in Obio have locorporated the metal ioto a prototype fire sprinkler.

Robert Geoghegao, one of two people heading the Battelle study team, told me that there has been concern in the U.S. over the response time for domestic fire sprinklers. Most were slow to react until the heat had reached a point where the low temperature solder melted and thus actuated the

While there are not many homes in the UK with sprinklers, the research could ell be of use for offices, public buildings, palaces, whatever. The research at Battelle has

concentrated oo using Nitinol as a heat sensor component withio the sprinklers so that it cao be turned oo or off at prespecified temperatures.

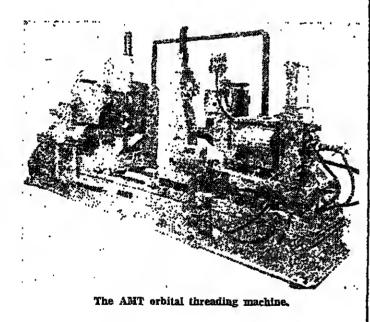
The researchers say (and this

The projetype as an "on only" sprinkler head has undergooe tests at a room fire with sensitivity tests. These measured the response time io a 12 ft by 24 ft wood-pacelled room with furniture. Eye level temperatures, the laboratory claims, did not exceed 85 degrees.

Battelle researchers have also designed an off-on sprinkler to automatically stop the water flow after the fire beat drops, hasically to preveet water damage after the fire.

The whole system is still at prototype and report stage and there are oo plans at the momeot for production, but might like to ask for the report that will he passed to the U.S. Government.

People to talk to are Ilene Zeldin or Bob Geoghegan. Battelle is at 503, King Aveoue, Columbus, Ohio (614 424 7728)



Metal threading

Heavy duty design from Birmingham

DESIGNED FOR heavy duty applications such as large pipes axle castings, pipeline valve bodies, where rotation of the component for convectional undesirable because of its size or configuration, this Orbithread, orbital threading machine bas been designed by AMT of Birming-

The machine clamps the component so that it is throughout thread-milling operation. It is offered io single or doubled coposed head versions each of threading componeots up to 12 and 14 in inside diameter.

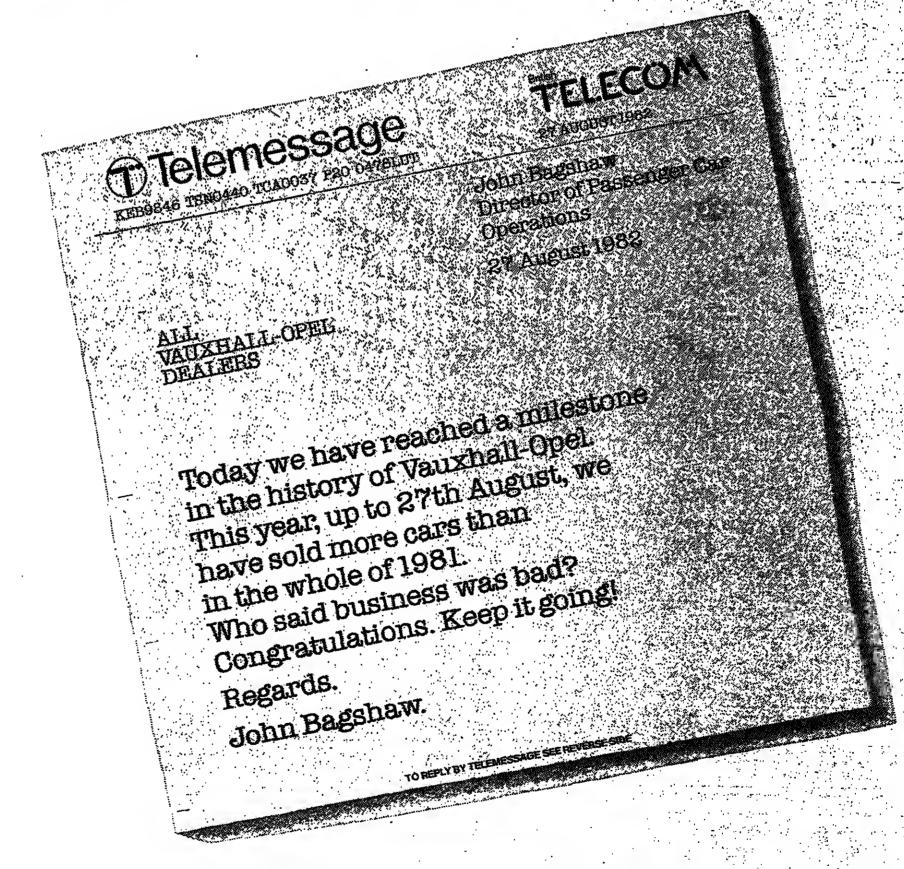
A standard machine consists on slideways with a cross facing attachment mounted onto the faciog movement is achieved by a hydraulic cyclinder operating (021-359 0272),

cross facing head is the work spindle which carries the thread milling cutter. The spindle is by a 2 hp motor. The cross side on the faciog head can be set to adjustable dead stops for the gressive feed deals with the required depth of thread.

The maio spindle will then rotate for just over one rotation to reach cutting cycle, thus complete ensuring thread milling together with cutter feed in.

This is just a brief description of something coming out of Birmiogham, but if you're of a single spindle head fitted interested to orbital threading machines the man to talk to is Mr Graham Mallabond, He's main spindle hose. The cross available at AMT Birmingham. 50. Cato Street, Birmingham

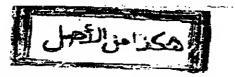
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Big company experience finds a smaller home

Tim Dickson on how a Government scheme opened up a new career for a redundant electronics engineer

A lifetime with hig husiness, After all, is a hard habit to sound like a recipe for break and though he had just managerial strife. made redundant by rancis Industries at Wrexham. he thought he would have little fifficulty finding a new job.

Fifty three interviews and six nonths later, the 55-year-old lectrical and electronics enneer realised his mistake,

Like so many executive lease of working life, ictims of the current recession. Looking back to ady travelled the countryiterally. He visited companies rom the North of Scotland to he South Coast of England n searth of a new career. he was shortlisted ut invariably ne was pipped at

Today-thanks to: a little; ublicised Government backed cheme—Brady is the proud and enthusiastic head of engineering of Dee Electronics, a small ingineering business in North Vales which is just under five

Opportunity

Brady was one of the first of redundant executives who, over the last year or so, have ocen offered the opportunity to pegin a new career under what is called the "Expand a Flim" Scheme (See adjoining piece for details.)

Financed by the Manpower-. Services Commission and needed somebody else, we administered by the Cambridge couldn't afford to pay bim at hased Industrial Praining Re the time. search Unit, the scheme was launched last year to match out-of-work executives having understatement — that Brady busioess expertise with small ing potential for growth.

Development "Fellowships", for exactly one year and pro-vide up to £7,000 to pay for the successful individual's salary. If the 12 month experiment works, the organisers hope a permanent relationship

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Minis

ernm ficatio business proprietors "Expand of next year, a Firm" might to some people Brady has

Based on the experiences of Robertson, however, the scheme has not only contributed significantly to al least one firm's prosperity but given someone otherwise destined for pany," adds Robertson, the executive scrapheap a new don't meet too many like

Looking back to Brady's arrival 15 months ago, Robertson concedes that it was a relief when, Vic Owens, head of the get used to this environment. Welsh Development Agency's There's no hig brother around Small Business Unit in North here if you want something. Wales asked him if Dee would You've get to earn it first." like to participate.

Originally a simple merchanting operation which Robertson, set up in 1977 after losing interest in his selling job with a Birmiogham company. Dee has since specialised in the design and-manufacture of electronic control equipment for products rears old and employs 28 as diverse as washing machines, argely semi-skilled people at a domestic beating appliances actory just outside Queens and domestic and industrial erry. Clwyd.

alarm systems. The first year's turnover of £45,000 was floubled in year two, and, has since grown at a steady 20-30 per cent a year.

> "I was in it up to my ears and working 24 hours a day when the chance of taking on someone : like Pat came - our way," recalls Robertson. " I was doing the selling, organising design, testing and produc-ower tion and although I knew we and needed somebody else we

> > months; later Robertsoo says-with deliberate

His major contribution has manufacturiog businesses show- heen to share the workload, allowing Robertson to cut him-self off from day-to-day techs the awards are known, last nical development and concentrate on what he is best atsales and promotion.

new and better products for Dee's customers, turnover has waste time on them

TWO years ago Pat Brady Given the independent spirit, grown significantly and the yould never have dreamt that not to mention the downright company's order book is full a would end up working in a stubbornness of many small well into the second quarter Brady has also started a

modest and informal training programme, giving three enthusiastic youngsters, taken on Brady and his new boss Jim under an MSC programme, the beoefit of his experience. "He and work the flexible hours. often necessary in a small comdon't meet too many like thatwith a hig company background. I wouldn't say that we've had disagreements as such though it ohviously took Pat a while to

Relief

For Brady, working at Dee Electronics has been "damn interesting, challenging 2 and interesting, challenging and quite frankly a relief to know that I still have the capability to do the things I was doing

20 years ago. differences between hig and small is the speed at which we have to turn things round. A company can ring up and say that they want, say, a detector stage built into a monitoring system and we have to jump to it to gel the order finished in.

experience has forced bim to hrush up on technical skills. which in the last few years had ome a little rusty.

"In a big company's R and D. department you tend to look down yers narrow bands, otherwise you quickly overlap into somebody else's backyard. The range of skills required is much wider in a small business. If yon've got a knotty problem you can't for example, hire an and sort it out"

Brady has also learnt to concentrate, his efforts on commercially viable products. Thanks in good measure to "Lots of people come to us Brady's technical ability and with what are interesting ideas his imagination in developing but in a small company you



Sharing the workload: Jim Robertson (left), who started Dee Electronics five years ago,

Emphasis on 'sophisticates'

EXPAND A FIRM grew out Meredith Belbin, chairman of the - Cambridge-based . Industrial Training Research Unit and Alan Randall, former chief executive of some of the smaller subsidiaries of the imperial Group.

The research unit used to he part of University College. London, but it is now almost entirely financed by the Manpower Services Commission. It is an independent body engaged largely in researching and developing new initialives in the joh training and job ·Launched in the spring of

last vear with a modest £35,000: a year hudget, "Expand a Firm" essentially puts one of Belhin's theories

best way of generating employment is to concentrate on what we call 'sophisti-cates,' he says. "These are people with bigh level skills who can create wealth and thereby jobs for other people lower down the line.

"The existing philosophy of turning unskilled workers

into skilled or semi-skilled employees does not work when there is a shortage of

Belbin admits that in most eases it is too early to indge the success of "Expand-A-Firm." But the early signs are certainly encouraging.

Of the two formerly redundant executives who have completed their 12 months, joined his company on a permanent basis while the other has left to set up his own business.
Six other "fellows" are

currently half-way through their year and Belbin estithat the firms involved may aiready have taken on 30 additional émployees as a result. In one case the development of a new process bolds out the prospect of a significant longer term boost to employment.

Eisewhere, the appointment of a "fellow" in Newport, .. South . Wales, . is expected to save up to 17

Although in this case the death of the chairman bas primarily at healthy mannfacturing .. firms, independently owned, which employ less than 100 people and are located preferably in an area with above average unemploy-

Individuals, meanwhile, are likely to be over 30 hot can come from any type of bosi-ness background provided they fit the bill.

The key to the ultimate success or failore of the scheme undonbtedly lies in the way that the onit matches

individuals with firms. Initially the unit relies on various regional "agents" such as the Welsh Development Agency and the Scottish Development Agency to come panies; while the Professional and Executive Register (PER) is used to trawl for potential key employees.

Randall, as project leader, then visits interested firms a colleague. They explain how the scheme works and weigh up the prospects

Individual applicants, meanwhile, have to take two of Belbin's tests—the first a "Self Perception Inventory on Team Role Characteristics" assessment designed to give the research unit a good idea of an individual's tempera-ment and compatibility with a particular small firm pro-

The second is a "Joh Feature Questionnaire" which involves looking at 30 pairs of jobs and saying which of the two in each case in preferable and explaining why.

Both these tests are based on Belbio's thesis—based on mented research—that man agers do oot have to be whize kids but should have one or more characteristics which enable them to excel in a management team.

Expand-a-Firm" will not suit every individual or every small company. However, the scheme seems to be a happy of co-operation example between academics and businessmen. And given the potential a cost per job of £7,000 appears to be a good deal for the taxpayer.

Small firms get a voice in Europe

year-old Bill Poeton to serve on the Economic and Social Committee of the European Parliament is a timely boost for all small and medium dzed firms, whose interests he will represent.

The significance is perhas

that much greater for in these cases the invitations ome direct from 10 Downing

Poeton is National Spokes man of the Union of Indepen dent Companies (UIC), whose 250 elected members are all manufacturing busiorganised regional groups along parliamentary constituency lines. His appointment will last

for four years.

The Reonomic and Socia Committee is an influential consultative body whose task is to advise the Council of Ministers and the European Commission.

Under the EEC Treaty Ministers and the Commission are required to consult the Committee before taking any

Poeton is a passionate believer in positive discrimi-nation for small companies and says that the present UK Government has not yet been converted to this faith.

· He points enthusiastically to a background paper by the Committee published in May which argued that "while a favourable investment climate created by appropriate macro-economic conditions forms the soundest basis for the foundation of Small and Medium Sized Companies, we must not forget that the same conditions make it much easier for large firms to expand." In other words, says Poeton, reductions in interest rates and cuts in the National Insurance surcharge — which belp all companies—are not sufficient on their own fur the small business sector.

This is a view which has brought him into conflict



with certain people, including some in the Confederation of British Industry-from wi the UIC broke away in the mid-1970s.

• The UIC is about to conduct its own survey of industrial opinion to test the mood of the small manufacturing sector.
The decision stems partly

from the farore over the last CBI survey which painted a very depressing picture of the country's economic pres

pecis. We think that gloon generates gloom," says Derek Young, the UIC's national chairman. "Although we are going through a terrible recession and nur members have been bumping along the bottom the impression we get is that they are not flat on their backs. Things are better than they were a year ago."
Publication of the findings
will depend on whether the

results are significant. "But we won't conceal them if they turn out to be bad," promises

Tim Dickson

Buying

PLACES are still available-

event has been organised by

first of a number of initiatives aimed at helping small companies win a bigger share of public purchasing contracts. Representatives from the

for a session this Friday when small firms will be able to meet purchasing managers in the public sector. This "Meet the Bayers

the London Enterprise Agency (LEntA) and is the

Property Services Agency, the Post Office, British Rail and North Thames Gas will be Contact LEntA, 69. Cannon Street, London EC4. Tel.: 01-236 2676.

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3.40 Jackanory. 9.55 The
Wombles, 10.00 Take Hart. 10.2010.30 Play Chess! 10.50 Palm
Beach ": (" Interinde " film from
the early-50s). 10.55 Cricket:
Third Test—England v Pakistan Third Test—England v Pakistan from Headingley. 1.65 pm News After Noon. 1.35-1.50 Begpuss. 3.38 Flirtation Waltz ("Toterlude" film). 3.40 Home on Sunday. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 Blue Peter Flies the World. 5.10 John Graven's Newstound. 5.15 Animal Craven's Newsround, 5.15 Animal

5.40 News. 6.00 Regional News Magazines. 6.25 The Show Me Show.

7.36 "An Inspector Calls" hy
J. B. Priestley, starring
Bernard Hepton, Nigel
Devenport, Margaret
Tyzack and Simon Ward. 8.00 A Day at the Zoo: Esther Rantzeo reports on 24 hours in the life of London Zoo.

9.00 News. 9.25 Stocker's Copper by Tom Clarke, starring Bryan Marshall and Jane Marshall Lapotaire. 111.00 "Maigret," from a novel

by Georges Simenou, star-ring Rupert Davies. 11.50 Rough Sea Oo Rocks -"Toterlude" film).

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All em Lerry the Lemb. 9.46 Evoluion. 10.00 Cool McCool, 10.20
Survival, 10.40 Bailev's Bird. 11.05
Y. Contect. 11.30 Spiderman, 1.20
ym Border News. 3.50 Looks Fomilior.
5.15 Happy Osys. 5.00 Lookaround
Tuseday, 7.30 Anniversary Week; Never
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to mark the 21ct Anniversary of Border
Tolevision, 11.16 Barney Miller. 11.45
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9.55 am in the Arms of the Octopus. 19.20 in Concert: The Blues Band. 10.45 The Incredible Hulk. 11.20 The Crezy World of Scort. 12.30 pm The Young Octors. 1.20 Control News. 3.50 Looks Fomillar. 5.15 Mork and

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5.00 am As Radio 2, 7.00 Mike Raad, 8.00 Simon Botes, 11.00 Paul Burnett with the Radio 1 Roadshow from Plymouth, 12.30 pm Nawabeat, 12.45 Cave Lea Travis, 2.00 Stova Wright, 4.30 Peter Powell, 7.00 Talkabout, 8.00 Mark Elion, 10.00-12.00 John Peel (S). RADIO 2

5.00 am Ray Moore (5), 7.30 Terry Wogan (5), 10.00 Jimmy Young (5), 12.00 pm Ed Stawart (5), 4.00 David Hamilton (5), 5.46 News; Sport, 5.00 Jon Leeming (5), 2.00 The Magnificent Minnollis (5); 9.00 Listen to the Band (5), 8.30 The Organist Entertains (5), 8.35 Sports Desk, 10.00 Tom O'Cannor at the Variety Club with Alan Randall, Sutz Bear Cats, and Lorne Oilias, 11.00 Brian Marthow presents Round Midnight from the Edmburgh Festival

TELEVISION

Chris Dunkley: Tonight's Choice

I will say it again: any television company worth its sait should be producing a significant proportion of programmes good enough to demand repertory treatment. I refuse to inin in the hypocritical chorus of sneers and derision which greets any season of television repeats. "Not that old thing again!" they cry, and promptly settle down to gloat and sigh over the quality the good old days.

That quality is exemplified tonight in BBC-1's re-runs of the 1972 Bafta award winning play Stocker's Copper which was written by Tom Clarke (who also wrote this year's excellent Muck And Brass," surely another award winner) and an episode from the 20-year-old series of Maigret, starring Rupert Davies the saturnine French detective.

The play, about the 1913 Cornish play workers' strike, I recommend unreservedly; Jack Gold directed it at the top of his form and the location film work is superb. About the policier I am uncertain, having seen few of the original screenings and being less enthusiastic than some about Davies. He and

the series were very popular, however. ITV's schedule in the London area is a disgrace: an American crime series is followed by a repeat of a recent comedy and from 9 o'clock for three hours everything but the news is American rubbish, all of it set in Los Angeles.

BBC 2

8.30

8.10 Arthur Negus Enjoys

10.25 Cricket: Third Test (high-

World, 12.30 pro Gardaning Time.
1.20 Scottleh News. 3.50 Looks
Familiar, S.15 Tolas of Crims. S.20
Crosanosds. 6.00 Scotland Today, 6.30
Toko the Nigh Road. 7.30 The
Incredible Hulk. 11.20 Lete Cell. 11.25 .
Bradford International Jazz.

Last

by .

Waltz

Martin

Alderney.

directed

Scorsese.

lights). 19,50-11.55 Newsnight.

" The

6.40-7.55 am Open University. 10.30-10.55 Play School. 1.25 pm Cricket: Third Test— England v Pakistan. †6.20 Laurel and Hardy Double.

7.06 Junior Pot Black. 7.25 News Summery. 7.30 The Jam at Bingley Hall.

Mindy. 5.00 Crossroads. 5.25 Central Nows. 7.30 Magnum. 11.20 Contral News. 11.25 Mac Oovia In Concart. GRENADA

9.30 em Larry the Lamb. B.40 Evolution. 10.00 Cool McCool. 10.20 Survival. 10.45 Balley's Bird. 11.05 3-2-1 Contact. 11.35 Spidorman. 1.20 pm Granoda Reports. 2.00 Hands. 3,50 Locks Familiar. 5.15 Noocy Osys. 5.00 This to Your Right. 6.05 Crossroads. B.30 Granada Reports News. 6.25 Family Trees. 7.30 Simon and Simon. 11.20 Journey to the Unknown. HTV

9.40 am Besame Street. †10.40 Tueoday Moming Facture Film; "The Navy Lark." 12.30 pm Gardoning Tima, 1.20 HTV News. 3.50 Looks Familiar. 5.15 Diffrent Strokes. 5.00 HTV News. 7.30 Simon and Simon. 10.28 HTV News. 11.20 Video Sounds. HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Y Elifient Glas, 4.20-4.45 AF Ei Ol. 5.00 Y Dydd, 6.16-

SCOTTISH 10.00 am Wilderness Alive, 10.50 Angling Today, 11.15 It's a Musical

9.35 am Unromod World. 10.00 " For The Leve Of Ada." stayring Irone Hendl and Wilfind Pickles. 11.25 Carnon. 11.30 A Full Life. Jill Cochmne Interviews Edna Heelev. wite of Labour Party Oeputy Leofer, Oenia Nasiay. 1.20 pm TVS News. 2,50 Looks Familiar, 5,15 Olff rent Strokes. 6.00

(stareo from midnight). 1,00 em Encoro (S). 2,00-5,00 You and the Night and the Muerc (S).

RADIO 3

6.55 am Woother. 7.00 Nawe. 7.06
Maming Concert (\$), 8.00 Nawe. 8.05
Maming Concert (condouad). 8.00
News. 9.06 This Wook's Composors
(\$), 10,00 British Plano Music (\$),
10,55 Vianna Mozart Ensemble (\$),
11.35 English Songs (\$), 12.10 pm
Midday Concert. part 1 (\$), 1.00 News.
1,05 Six Continents. 1.25 Midday
Concert. part 2 (\$). 2.00 Fluts, Plano.
Guitsr rocist (\$), 2.50 Lessus choral
music (\$), 2.10 Cheltonham Featival
1982 (\$), 4.55 News. 5.00 Mainly For
Pleasum (\$), 5.30 Jazz Today (\$),
7.00 Let the Peoples Sing (\$), 7.30
Proma Irom the Royal Albert Hell,
part 1: Corelli, Bach, Handel (\$), 2.20

What Books i Pleasa (Colin McLaren on Rudvard Kiprino). B.40 Proms. part 2: Bach (S). 9.30 John Sparrow on . Dogs. 9.45 Carborus, Mina and Oan (S). 10.15 Accervypola Szories by Karel Capak, 10.20 If it's Evor by Karel Capek. 10.20 If it's Ever Spring Agein (S). 11.15-11.18 News. Medium Wave og VNF abova except: 10.55 am-6.30 pm Cricket; Third Test-England v Pakistan.

RADIO 4

8.00 am News Briefing. 6.10 Farming Week. 16.25 Shipping Forecast. 5.30 Today. 8.43 Oleu et Mon Orolt by Sylvia Townsend Warner. 8.57 Weather: 18.00 News. 9.05 Tuesday Call—Space Exploration. 19.00 Nawa. 10.02 From Our Own Correspondent. 10.30 Colly Service. 10.45 Morning Story. 11.00 Naws. 11.03 Thirty-minute Theatre (S). 11.33

m**

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LONDON

9.30 am Rocket Rabin Hood. 9.50 Wild, Wild World of Animals, 10.15 The Nature of Things, 11.10 Bailey's Bird, 11.30 Paint Along With Nancy. 12.00
Pullsver. 12.10 pm Let's Preteod.
12.30 The Sullivans. 1.00 News,
plus FT Index. 1.20 ThamesNews with Robin Houston. 1.30 News with Room Houston, 1.30 Emmerdale Farm, 2.00 After Noon Plos. 2.25 Racing from Epsom (covers the 2.30, 3.05 and 3.35 races). 3.50 Father Dear Father, 4.20 Runaround, 4.45 What's Happening, 5.15 The Real Hamiltonian World

5.45 News. 6.00 Thames News with Rita Carter and Colin Baker. 6.25 Help! with Viv Taylor

6.35 Crossroads. 7.00 Sapphire and Steel. 7.30 The Streets of San

Francisco. 8.30 Shelley, starring Hywel Bennett with Belioda Sinclair and Josephine Tewson.

9.00 Best Sellers: Lloyd Bridges, Boddy Ebsen and Robert Wagner in "The Critical List"

10.00 News. 10.30 Best Sellers (continued). 11.20 City of Angels. 12.20 am Close: Sit Up and

Listen with the Revereod Peter Lewis. † Indicates programo in black and white

Coast To Coser, 6.25 Crossroads, 7.30 Elmon and Simon, 11.20 Star Parada with Cillif Bichard, Abbs, and Nana Mocakouri. 12.18 am Company.

TYNE TEES

9.20 em The Good Word, 9,25 NorthEast News, 9.30 Frienda of My Frienda,
9.55 Claselis Nouveeux, 19.25 Terry
Foy—I had a Oream, 11,20 Sellary,
8ird, 11.45 Cartoon Time, 1.20 pm
North-East News and Locharound, 3.50
The Riordena, S.15 Surerval, 6.00
North-East News, 6.02 Croseroada,
6.25 Northera Life, 7.30 Simon and
Simon, 19.30 North-East News, 11.20
The Living Lagende of Jeaz and Blues;
Olzzy Gillespia, 11.45 Four Attitudes
et Life.

YORKSHIRE

9.30 am Sesama Street, 10.30 Feetura Film: "Ooublocroap," aterning Oonald Nouston and Fey Compton. 11.40 Custom Core. 11.55 The Undersea Advantums of Captain Namo. 12.30 pm Paint Along With Nanov. 1.20 TSW Nawo Hoadlines. 3.50 Survivel, 5.15 Gus Honeybun's Magic Birthdeys. 5.20 Crossroads. 6.00 Today South-West. 6.30 Olif mnt Strokos. 7.30 Simon and Simon. 10.32 TSW Lata Nave. 11.20 The Streets of San Finncisco. 12.15 am Postscript. 12.20 South-West Weather, 9.20 em Segame Streat, 10.30 "The Blue Bird," sterring Shirley Tamela, 11.45 Meglilo Gonile. 11.86 The Subblies. 12.30 pm Locks Familier, 1.20 Calander Nave. 2.50 Calander Tucadey, 5.15 Mr Martin, 8.00 Calander (Emley Moor and Bolmont additions). 7.30 Simon and Simon. 11,15 Ereidons International Jezz Fostival: Bobby Walling Quartot.

A Book at Baduma, 11.15 The Financial World Tonight, 11.30 A Chapter of Advantures (portreit of Rider Haggard). 12.00 Nows.

Norfolk Flight in fine form for Epsom

WILLIAM Hastings-Bass, whose Marriott stables are, reportedly, destined for Daxid Morley at the end of this season, does not saddle the much-vaunted Remorseless at Epsom today. However, it will he surpris-ing if he fails to add to his tally there, as both Wiveton and Norfolk Flight look to be in with winning chances.

Wiveton, who landed both an so-course and off-course gamble when getting up in the last strides of Haydock's Harvey Jooes Handicap early last month to touch off Earl's Court, must be expected to follow up in the Steve Donoughue Apprentice Handicap.

The Blakeney gelding owned by Lord Derby, whose ancestor gave his name to Epsom's most famous race, was conceding 21 lb to the runner-up in that event and will be seen to equal advantage over today's slightly longer trip.

He chould not be hard oressed

to concede upwards of 18 lb to his three opponents: Crimson Royale, Steel Kid, and Record Answer.

RACING

BY DOMINIC WIGAN

Norfolk Flight, one of 10 runners for the Chelk Lane Stakes 35 mioutes later is also in good form and will I acticipate, prove up to concediog weight to Newmarket's course and distance winner, Charlle's

Norfolk Flight, another brown gelding by Blakeney, could flod the reteran Hampehire a more serious oroblem. Last time out this eight-year-old ran his usual game race when chasing home Redden and Ice in Brighton's RPA Betting Office's Handican. He meets the winner Redden on hetter terms by 6 lb. Blushing River, a chestnut

colt by that sunerbly fast miler. Blushing Groom, out of a lyphard mare, looks to be the answer to the Rubbing House Stakes. **EPSOM** 2.00-Raklawa 2.30-Blushing River 3.05-Jose Collins 3.35-Wiveton

4.10-Norfolk Flight

4.45-Suffred CHEPSTOW 2.15-Miss Posy** 2.45-Singleton

The same of the same of

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Tuesday August 31 1982

The relics of Maoism

LIKE A great director before the pragmatists and to oust the the first night Deng Xiaoping, ideological die-hards. the diminutive maestro of Chinese politics, is putting the finishing touches to the most important production of his remarkable career.

The curtain goes up tomorrow on the 12th congress of the Chinese Communist Party. It will be a great and glittering occasion and for Deng, twice eclipsed and humiliated in the long march sloce liberation in 1949, and now nearing the end of active political life, it must go right on the night. Fur the past 30 years China has done little more than tear itself apart, wasting in the process endless reserves of talent, ingenuity and energy. For Deng this may be the last chance to set the country on a steady course for the next decade.

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Deng is above all a pragmatist who eschews grand designs. He has wisely chosen, with exceptional skill and guile, to out-manoeuvre the die-bard supporters of his great_ideological opponent, Mao Tse Tung, since the latter's death in 1976. Frequently sacrificing policy for getting his people into the right jobs and ideology for practical gain, he has inched forward. In the process he has provided a badly needed dose of prag-matism into a political and economic system which for the past two decades or more has suffered from wild and unpredictable swings of the ideologi-

cal pendulum, Deng's proteges, premier Zhao Ziyang, party chairman Hu Yaobang and others, have done well enough to stay in the saddle over the past few years. But the feeling persists that, without Deng at the reins, they could still be unseated. That is why the congress has especial importance.

A new constitution which promises to sweep away the final vestiges of Maoism is likely to be unveiled, diluting, at least in theory, the omnipotence of the Communist Party. Sweeping reforms of the leadership structure, some of which have already been put into effect, are likely to be endorsed. The Politmittee may be reshaped to suit tion.

The all-powerful post of party chairman may be abolished. The practical significance of such a move remains to be seen, but its symbolism is of enormous importance. Mao skilfully used this position to establish himself as a demigod for 27 years, inflicting, as he became older and more senile, appalling damage through a combination of mystique and patronage on a country still struggling with poverty, residual feudalism, and the dead hand of the Communist Party.

Much of what is emerging now may be cosmetic. Deng is certainly no liberal. China is likely to remain a totalitarian state in the grip of a party which frowns nn individual initiative. The leadership changes may not make any real difference. Deng's strategy pushing ahead with change also carries with it enormous risks since he seems on the point of launching a major purge of the party itself at all levels.

Contradictions

Some of his reforms bave been bitterly contested already. The renewed emphasis on heavy industry, a clampdown on contact with foreigners, growing attacks on the "evil influence nf western values brought to China by the opening up of the economy, and the return to the sterile authority of earlier years in culture and education are merely some examples. More worrying for the nutside world, which wishes to trade with China and entice it into a more comfortable, working relationshin; has been the ferocity of Peking's opposition to the U.S. administration's admittedly inept handling of the Taiwan and construction. There are

Three decades after the Com-munists took power China has yet to resolve the two fundamental contradictions which bave determined its erratic pro-gress so far. The first is bow to achieve material success without sacrificing ideological purity. The second is how to that success without laying itself open to an invasion of foreign technology and alien Western values, which threaten bureau and the Central Com- its integrity as a great civilisa

How to make education work

measured solely by its contribution in terms of material wealth. But as was pointed out by the National Institute of Economic and Social Research last week, spending on educa-tion by most developed countries has become so heavy that "It was necessary to specify which kinds of educational activity are economically profitthe economic costs of supporting other types of education which require to be justified on non-economic grounds."

In Britain, where the expenditure has risen from about 3.5 to per cent of gross national product in 20 years, the visible outcomes are largely dismal. The advocates of the expansion expected k to provide at least two distinct and general benefits. One was greater social justice, particularly by extending the opportunity of higher education to many more children of semi-skilled and unskilled

The other main benefit was education to young people and productivity . living standards for all.

Neither expectation has been fulfilled. Families of semiskilled and unskilled workers account for three-fifths or more of the population. But their children still constitute only about a quarter of students in and economic policies; and he higher education. The failure has initiated a £2m-a-year proof the economic hope is plain, ject to devise practical school While the average time spent in full-time education remains lower in Britain than in the U.S., our average is if anything higher than that of the West mental in expanding pro-Germans. grammes for the development

Resources

Institute's review: "A lack of essential if Britain's approach education does not therefore for adult life is to become appear to be a reason for successful. The step is to Britain's low productivity or abolish the division of responlow growth in productivity . . . The directions in which those resources bave been committed must therefore come under

scrutiny." ther at the example of West abould be -Germany. Although the average able part of education, rather time spent by its citizens in conventional classroom studies to young people who have is relatively modest. Germany failed in academic studies and far exceeds Britain in the invest- are destined for at best lowly ment of money and social esteem occupations ever after.

THE VALUE of education is in training, particularly of the cultural and social as well as apprenticeship kind. As a result, economic and so cannot be young people there have their attention concentrated more extensively on the practical skills and importance of productive work.

· It is unlikely to be pure coincidence that the different German approach to the preparation of young people for adult life has been associated with economic success. The case for shifting the emphasis of the British approach in the same direction is made stronger by the evident importance to this country's future of ability to exploit fully the applications of advanced technology.

The development of that ability requires young people to spend less time in learning by theory in classrooms and more in learning by doing in laboratories and school workshops and, for older pupils, by attach ments to employing organisa-

Expenditure

Despite the academic profession's disparagement of the directly economic. It was present Government for cutting thought that by giving more expenditure on conventional education the Government has before they began work, we done more than any of its would ensure higher national recent predecessors to begin the necessary change.

Sir Keith Joseph, the Secretary for Education and Science, has accepted a degree of managerial responsibility for bring ing the development of courses in universities and polytechnics into line with national social curricula for children whose aptitudes and interests are in learning by doing. Other Ministers have been instru-

of training. . But they have unwisely In the words of the National neglected a step which seems total resources committed to to the preparation of children sibility for education and for training between different Government departments and commissions.

crutiny."

Until responsibility for both
In seeking more economically is vested in a single ministry. profitable directions of investiment little prospect of trainment. Britain should look furing's being regarded — as it - as an indispensthan as an activity suited only

BRITAIN'S BLACK BUSINESSMEN

Why it is harder to start a business if you are black

By Lisa Wood

Britain in 1958. Today. aged 38, he is joint mandirector of Tridata a Birmingham-based y which develops and company business accounting software for use in micro-com-

puters. Tridata, now four years old. employs 12 people, has made a profit for the last two years and expects a turnover of £240,000 this year. All its employees are white, except one, and that is Jamaican-born Mr Cooke.

Justice Lewis, an RAF-trained telecommunications engineer and Anthony Hill, an accountant, set up Ebony Greet-ing Cards in 1978 with capital of £5,000. Since then Ebony. which specialises in designing and manufacturing greeting cards for the "black" market, has quadrupled its print run to 250,000 cards a year and extended its design range from six

The two men are examples of a rare phenomenon—successful black British businessmen. For while it is difficult for anyone, black or white, to start a business—particularly in the present economic climate recent research suggests that would-be black entrepreneurs face particular problems.

Barclays Bank estimates, for example, that only about 3 per cent of blacks are self-employed in mainstream business compared with 13 per cent of Asians and 10 per cent of whites. Most husinesses run by blacks are in the service sector-such

as TV and video or record shops, hairdressers, restaurants relatively few manufacturers. Lord Scarman, ln bis report on the Brixton disorders last November, spelt out why it was

Indians were brought into the business community. "The encouragement black people to secure a real stake in their own community through business and the professions is of great importance if further social stability is to

important for society that West

be secured," he sald. The message remains as relevant today: an increasing number of blacks, disproportionately affected by unemploy-ment and fearing racial discrimination in seeking a job, are establish small busi

They face two key problems: "access lo commercial capital and management skills," according to a recent parliamentary select committee report on

racial disadvantage.

Banks, the report said, vary widely in their lending attitudes to ethnic minorities. "Some managers appear to require an undue amount of

as a result of stereotyping of

business loans to West Indians." Setting aside the issue of racial discrimination, which is real but difficult to prove. there seem four basic reasons for these difficulties:

concentrated in lower-paid up-

skilled johs, find it difficult to accumulate start-up capital. A higher proportion of blacks than white or brown people live in council accommodation and are therefore unable to offer the deeds of a house as collateral. • Lack of business experience. Mr Martin Kazuka, a Guyaneseborn business consultant, says in a report on ethnic enterprises in Hackney, east London, that because blacks have fewer education and employment oppor-tunities than whites "the requisite managerial experience necessary for running a business efficiently is almost nonexistent." He estimates that pp

to "poor management." In contrast, the UK Asiao a traditional involvement in business. There are also several the UK.

failures, black or white, are due

Social attitudes formed by to the UK. Many blacks point immigrants to the U.S. But Mr her baok manager. Tony Wade, chairman of the

ARK COOKE came to collateral for a loan, possibly 250-odd strong UK-Caribbean Chamber of Commerce. points West Indian entrepreneurs as out that American immigrants "had a different approach and a had risk—a stereotype not "had a different approach and supported by the experience of attitude to us, knowing they those banks who have made would have to fight for oppor-

"We were brought up to think of Britain as the mother country and believed that if we worked industriously we would share the benefits. That did not hap-■ Lack of collateral. Blacks. per

Contrast this attitude with that of Mr Santokh Singh Bhambra who, with only £50 in his pocket, was forced to flee Uganda 10 years ago this month. A chartered engineer by profession he was refused a loan by a Birmingbam banker, despite baving his Ugandan bank statements which showed the profitability of his former

Mr Bhambra, now owner of an electrical shop in Hands-worth, Birmingham, dld ultimately get a loan through per-sistence. "We were used to this treatment," be says. "Our parents told us stories about bard. Bank. ships when they went to Uganda. We knew life would to 50 per cent of all business be hard and were prepared." @ Communication difficulties hetween a white bank manager community has a substan- and a black client. The story of tial middle-class professional Ms Rosemary Arnold, a middle element and many families have class black South African, is an example.

She wanted a £60,000 loan to Asian banks with branches in start a restaurant in Brixton, where she lives. Helped by the London Enterprise Agency the experience of immigration (Lents)—set up by big business to help small companies—she to the success of West Indian drew up a plan and approached



Trayor Humphries

ies and Mr Justice Lewis, managing Mr Abdul Shamji (left), chairman of the Gomba group of companies director of Ebony Greeting Cards.

in Sloane Square about a restaurant in Brimon is an un-believable experience," she says. "He could not understand why anybody should want to open a restaurant there."

Helped by Lentz, she secured loan from the Industrial and Commercial Finance Corporation (ICFC), as well as receiving strong financial support from ber local branch of Lloyds

The banks are responding to such criticism. All four clear-ing banks have appointed business advisors with special responsibility for ethnic minorities during the past year.

Mr John Ridgeway, the appointee of Barchys Bank, is former deputy manager in London's East End. He spends much of his time visiting his bank's branches and talking with customers, often on their own premises. "All banks," be says "have to improve com-munications. Very often I find er baok manager.

a bank manager with a genuine

"Talking to a senior banker desire to know asking questions

that seem aggressive to black identifying blacks with manager customers and the barriers go potential.

Blacks, he says, feel that if there were black bank managers customers would be more trust-ing in giving full information about their circumstances.

"It has been suggested that black managers from Barclays' branches in the Caribbean be offered opportunities in the UK. But they would not necessarily understand British business problems. Anyway, why should a black manager want to go to Brixton, not Knightsbridge?"

Mr Ridgeway says that black managers will emerge in time through the bank's career struc-ture. Positive discrimination for training is allowed in the Race Relations Act but he argues that accelerated training for blacks could cause resentment among white employees.

None of the clearing banks admit to monitoring their staff by ethnic origin, but it is understood that all are busy

An exciting new develop-ment to help black people present their business plans to the banks is the growth of business consultancies staffed by blacks. Mr Jonathan Emanuwa a Nigerian-born 29-year-old with

an MA in business administration, set up New World Business Consultancy in Camberwell, south London last year with the aid of a £40,000 grant from the Greater London Council, and some funding from the banks and Wates, the builders.

Mr Emanuwa, a forceful but diplomatic man, has an all-black team of five. "There are people," he says "who feel greater confidence in approaching us. If a Jamaican goes in to see a bank manager and speaks patois he is disadvaotaged from the word go."

Most of New World's clients wanting loans need £5,000-£10,000, About 40 per cent for whom it tries to raise money are successful. Mr Emanuwa thinks more of them deserve financial help and wants to see the banks, or Government. set up a special fund to aid black business. The Govern-ment he argues, has regional policies to aid disadvantaged regions — so why not special financial packages to aid disadvantaged people?

Whether or not specific funds should be earmarked by the Government for black start-up capital is politically contro-versial. The present Government argues that to do so would community and might not be very productive anyway.

Many believe the most crucial need is management advice. Mr Cooke, for example, had 16 years' experience in the computer industry before setting up his own business. Mr Lewis, of Ebony Greeting Cards, says his success is due to a combination "business expertise and

PARK LANE EMPIRE OF AN AMIN REFUGEE

ABDUL SHAMJI (plctured atore) has built up a trading and industrial empire of impressive size since he fied from Idi Amin's Uganda 10

years ago.
The 49-year-old businessman of Gujúrati descent now directs his botel, trading, handbag-making and vehicle assembly interests from offices in Park Lanc. His Gomba UK group of companies has an annual turn-Mr Shamil is coy about revealing profit. Grnup companies employ more than 500

Mr Sbamji was no bosiness newcomer when be came to Britain. He was forced to leave behind him a sizeable company engaged in car assembly, construction and

His first deal in Britain was

arranging a shipment of Johnnie Walker whisky and cutlery to Zaire.

From there he went into house repairs and secondband car sales—"anything which came to mind." He increased his export business. shipping clothing, cutlery, crockery to Kenya and Nigeria, Watches from Rong Kong were sold to Iran. With no knowledge of running a shipping line and unable to raise finance in Britain, Mr Shamil negotiated finance in Indla and arranged for an Indian shipyard to build six vessels in 1974.

After forming a joint venture with a subsidiary of the Common Brothers line of Newcastle-upon-Tyne, he sold his interest in the successful company shortly afterwards.

Since then he has featured prominently in rescuing fail-ing companies. In 1976 be took over a Blackburn company making leather hand-

In March of last year Mr

Shamji got back into the auto-

mobile business. He paid a seven-figure sum for the Scottish maker of four-wheel drive trucks, Stonefield Vehicles Stonefield's Ayrshire facby the Scottish Development Agency. It went into receiver-

ship when the agency decided further development would be too expensive.

Despite protracted wranglings with the suppliers of tools, stocks and engineering drawings Stonefield has since produced more, trucks under Gomba than it did in the previous four years together,

claims Mr Shamji, who believes fervently that mas-sive injections of public funds will not solve the problems of British industry. Mr Shamji's political views are clear. He has entertained Mrs Thatcher to dinner at his

home and the Prime Minister poses in the cab of a Stone-field truck in a picture hauging above his desk He denies ever encountering racial discrimination dure in Britain

concedes the extended Asian family system allows a rapid accumulation of wealth and may provoke jealousy. British executives outnumber Asians 3 to 1 in the top levels of the Gomba organisation but Mr Shamii says he has helped felin a position to do so.

Charles Batchelor

Men & Matters

Coping together

Fashion to fruit machines group Cope Allman is beginning to think about expansion again after a couple of lean years. And in order to concentrate on such strategic, longer-term planning, chairman and chief executive Louis Manson is splitting the dual role he has filled for the past nine years.

"The restructuring of the group is entering its final phase," be tells me. "By the end of the year, the turn around in our activities should be complete and it seemed a good time to make the change."

In October, Manson will hand over day-to-day management of the group to Michael Doherty, currently running an equally mixed bag of operations as chief executive of Incheape UK

A one-time partner in accountants Turquands Barton Mayhew, Doberty joined one of the firm's clients Sime Darby London as finance director in 1973 just as the Pinder affair erupted in the Far East parent. In 1975, Doherty moved to be

finance director of another Far East trading company, Anglo-Thai Corporation, which he had also got to know during bis auditing days. He stayed on when it was taken into the Inchcape group, and became managing director in 1978. Since January, be has been in charge of Inchcape's varied operations in Britain from car sales to commodity trading.

Doherty was bead-hunted for Cope Allman and says his decision to move was made before the news in June that Sir David Orr is to take over as executive chairman of the Inchrape

thought it would be better at the top of a smaller one. "I have been a bit like the chief engineer in an aircraft carrier with the commands coming cheating their parents to get to belp, Brown says,

down to me. Now I am joining money to play the machines, a frigate — but I will be on the Schools complained that pupils bridge influencing the speed and direction. the craze.

Sound barrier No flights of fancy by Aviation

Minister Iain Sproat at the

Having a week ago referred to the "quagmire of perks and privileges" he had found at British Airways, the grandi-loquent junior minister decided he had better not accept a sug-gested free "familiarisation" trip by BA Concorde to New

So Sproat stayed at home yesterday as "duty minister" for the Department of Trade and, some of his officials hope, familiarised himself instead with the problems of fulfilling his promise to have BA's privatisation plans ready within the next 12 months.

"It would have been a bit of a luxury for him to go to New York at this stage since he is materials dug out of the ground going in October anyway," DoT press officer explained.

Spaced out

Space invaders are gradually being driven out of the Far East, it seems. The Malaysian Government is now being urged to follow the lead of Indonesia and the Philippines in banning video games.

tainments over the past two years, according to Dr Martin Khor of the infinential Conroad full of pedestrians."

in Britain. The boom in electronic enter-

sumers' Association of Penang, has brought with it serious social and cultural problems. These games glorify violence. After seven years within a destruction, space war, killing large concern, he says he and racing," Khor says. "Some games require the player to much radio-activity they - and drive a speeding car into a

work was suffering because of

Kuala Lumpur has already decided to revoke the licences for nearly 500 video machines operating in city shops at the end of the year. Tougher con-ditions are also being imposed

on other operators. It does not look as if it will be long before the space war is over and, Khor says, the kids can go back to the traditional and less barmful pursuits of flying kites and spinning tops.

Radiant appear

Liz Brown writes a friendly letter—as a few thousand people throughout Britain will learn in the coming months. For this Scots-born sociologist wants 2,000 householders to help her measure the amount of radia-

tion in their bomes. Radio-activity seeps naturally from rocks and from the to build houses. If people follow the Energy Department's instructions this winter to seal their homes against loss of heat, they will also be sealing in the radio-active radon gas.

So the National Radiological Protection Board, which tries to protect us from over exposure offered Taube a job in invest-to radiation, wants to find out ment management. "I've just protect us from over exposure just bow serious a problem natural radio-activity might be

A colleague has dutifully responded to Liz Brown's appeal by placing two of her "dosimeters"-which look like pill pois and measure radon gas and gamma rays - in a bedroom and living room of his brick-built Bnckinghamshire cottage. After six months, they will

be-bave collected. More than half of those Children were stealing and approached so far have agreed heating their parents to get to belp, Brown says. "Very good for a postal aurvey". A few wanted more details; a few politely declined; and "a small minority" refused more brusquely to have anything to

There does not seem to have

been any differences in the

do with it.

response from those regions which have been most vociferous opposing nuclear energy, including Cornwall where early sampling shows very high levels of natural radiation in homes. But the NRPB has not yet decided whether, when all its pots have been returned in two years' time, it will tell its "guinea pigs" how much radiation they are soaking up in front of their TV sets during the long winter evenings.

Delayed action

Though RIT went to great lengths to explain the industrial logic of last week's deal in which it is taking a 29.9 per cent stake in stockbrokers Kitcat and Aitken, there is no doubt that one of the most potent attractions of the link-up was Nils Taube, Kitcat's respected senior partner.

Taube will be joining Jacob Rothschild and old friend David Montagu at RIT. Back in 1962, when David Montagu was working at his family's bank, he taken a while to make up my mind," Taube tells me.

Of course

Coe? "

A reader lunching at a London botel tells me that a woman sat down at the next table waved aside the proffered menu. and said she just wanted "some thing very light and very fast." The waiter raised an eyebrow be posted back to her to see how and replied politely: "May I recommend, madam, Sebastian

Observer

Midland Bank Interest Rates

Base Rate

Reduces by 1/2% to 101/2% per annum with effect from 31st August 1982.

"Save and Borrow?" "Holiday Club" and "Christmas Club" Accounts Interest paid on credit balances

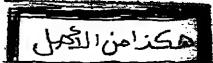
reduces by 34% to 71/4%p.a. with effect from 28th September 1982 and interest charged on overdrawn balances remains at 19% p.a. APRs 7.4% and 20.3%

respectively. **Deposit Accounts** Interest paid on 7 day deposit accounts

reduces by 3/4% to 71/4% p.a. with effect from 31st August 1982. Abatement Allowance

On ledger credit balances of current accounts which are subject to the standard personal current account tariff and do not qualify for free terms reduces by 1/2% to 31/2% p.a. with effect from 31st August 1982.





FINANCIAL TIMES SURVEY

Tuesday August 31, 1982 ·

Malaysia

Under its new and controversial Prime Minister, Dr Mahathir Mohamad, Malaysia is becoming ever-more politically confident both at home and abroad. But with economic stormclouds gathering, this fresh self-confidence is about to undergo severe test. The Government has above all to reconcile the demands of an increasingly sophisticated electorate with the harsh facts of recession

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Currency note: Malaysian dollar (M\$) and ringgit are both in this survey and are equivalent.	used



TODAY, TWENTY-FIVE YEARS LATER, MALAYSIA AND SIME DARBY RECALL WITH PRIDE TUNKU ABDUL RAHMAN'S PROCLAMATION OF INDEPENDENCE ON 31ST AUGUST 1957.

"MERDEKA!"

he spirit which Tunku Abdul Rahman kindled in the nation in that historic moment twenty-five years ago with the cry of "Merdeka" lives on today in the hearts and minds of the people of Malaysia.

Great progress has been made in Malaysia since independence and Sime Darby is proud to have been part of this dynamic period of growth and development. There is much still to be done however and Sime Darby looks forward to the future with confidence inspired and strengthened by Tunku Abdul Rahman's call for...

"Merdeka!"





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TOWOTOS a Secure Future

Chubb Malaysia, a member of the Permas Sime Darby Group and proud participant in Malaysia's progress.



Chubb Malaysia Sdn Bhd

(A Member of the Pernas Sime Darby Group of Companies Anggota Kumputan Syarikat Pernas Sime Darby) 42 Jalan Penchala, P.O. Box 397, Jalan Sullan, Petaling Jaya, Selangor, Malaysia, Telephone —03-574077 Cable — Chubbo Telex — Chubb MA 37330

years ago was a gentlemanly affair. The Alliance leadership which stepped into the colonial administration's shoes was conservative, English-educated, upper middle class and not keen to see radical social or economic change.

THE LOWERING of Britain's flag over Malaysia 25

or economic change.

It has taken all of those 25 years, and the rise
While Tan Sri Ghazali Shafie.
While Tan Sri Ghazali Shafie.
Malaysia's Foreign Minister,
may talk today of the threat to

ment barely noticeable. Malay-

policy of military "confronta-tion" and the Philippines made

claims to part of the federation. These have still not been for-

inally abandoned today. Singa-

gore hroke away under Lee

To make matters worse the

Kuan Yew in Augost 1965.

From university in Singapore cent of its tropical hardwoods and a medical career in Malay- and 32 per cent of its tin. and a medical career in many and a medical career in many state of sia's poor north-eastern state of iog at 6 per cent, inflation in Kedah, Dr Mahathir has little single figures and unemploy-included the single figures. in common with his predecessors. After a year at the helm his admioistration has brought about a revolution in style and there can be living doubt that hanges of substance lie ahead. During the elections in April
which gave Dr Mahathir and
his deputy Datuk Musa Hitam
(together called fihe "2-Ms" (together called line 2-ms government) a larger parliamentary majority than any previous administration, whole phalanxes of new men were promoted through the party ranks as members of the "old were unceremoniously pusbed aside.

On a campaign slog an of clean, efficient and trust-worthy government Dr Wahathir has put an electric shock through the country's hureau-cracy. Corruption may not yet have heen rooted out but the corrupt now have to he more discreet than ever in the past.

What was left of Malaysia's umbilical cord to Britain was synholically severed in October last year with a "directive" that government departments should not huy British where an alternative exists, A "Look East" policy, urging Malaysians to find Inspiration in the work ethics and work methods of the discreet than ever in the past. ethics and work methods of the Japanese and South Koreans, followed bot on the heels of the

ln his impatience for chaoge, bowever, Dr Mahathir has paid little open attention to the immense achievements of his country over 25 years of independence.

In 1957 Malaysia was a classic example of a colonial plantation economy. It was dominated by ruhber and tin, as it had been since the turn of the century. Together these two products accounted for 80 per cent of the

accounted for 80 per cent of the country's exports.

By last year, with a Gross Domestic Product that had grown tenfold to over M\$28bn, rubber and tin were just as important in dollar terms but had long been overtaken by manufactures, along with oll and gas, as leading export earners. New commodities like palm oil 20d cocoa bad ties like palm oil and cocoa bad been introduced, broadening the

country's agricultural base.

Today Malaysia leads the
world in five export products.
It provides 56 per cent of the world's palm oil, 42 per cent of

ing in the dense jungles of Malaysia and sourthen Thai-

the region of the current conflict in Indochina, the stability of the region is profound by comparison with those un-settled days. Much of the credit for this stability should go to Malaysia and its regional partners in the Association of South-East Aslan Nations (ASEAN)—an idea first mooted sia is a country where absolute poverty has virtually disappeared. No surprise then that it to a sceptical world by Indo-

bas one of the best credit rat-ings in the developing world. White Britain has been blamed for many colonial sins, lng theme of political activity has been the country's volatile at least some of Malaysia's proracial mix—a problem nu-wittingly created by the British gress of the past 25 years is thanks to foundations laid by colonial administration. A shocking awareness of racial the British, Plantations had been well ruo and a good infra-structure of education and com-munications had been laid. A conflict was thrust on the then government in 1969 when in the wake of election victory celebrations by opposition solid administrative structure was in place, as were stable political iostitutioos.

Despite an auspicious heginalise there is a supplication of the supplies the supp Chinese parties large numbers of the country's impoverished

ning there were times in the The bloodbath that followed 1960s when stability in Malaysia has provided the focus for and in South-East Asia political activity and economic policies ever since. The New Economic Policy (NEP) laid down in 1970 is a 20-year progenerally-was in serious Establishment of the Malay-sian Federation in 1963 stirred gramme aimed at eliminating the gap between Malaysia's up a hornets' nest of regional rivalries, in which President comparatively affluent Chinese Sukarno of Indonesia vied for regional domination through a

flict has caused successive administrations in Malasia to cling to a "softly softly" approach in all areas of policy. Perbaps the most profound revolution to hit the country sioce Dr Mahathir became Victoam war raged just 500 Prime Minister in July last miles away at a time when Britain, which had until theo approach.

provided Malaysia's defence nmbrella, was drawing its forces back west of Suez. A turbulent and xenophobic leadership in Peking fuelled Communist movements operat-

New regime marks end of an era

While not openly admitting that he sees political virtue in t the conscious use of shock treatment Dr Mahathir certainly does not believe in being gentle. If he sees his approach involving greater risks, then he certainly does not admit as

to feel Dr Mahathir's shock treatment has been the British business community. Keen to nesia in 1967. Inside Malaysia the unrelentprovide fresh impetus to the NEP and irritated at the "overly negative" attitude of British companies to the dilution of foreign control — par-ticularly in the sensitive plantations sector — the Prime Minister bas "declared war" on the Alongside the directive not

to buy British goods wherever possible, the Malaysian Government has sponsored a buge sharebuying operation to bring Britisb-owned plantation com-panies under Malaysian control. Malay population ran amok. The effort bas succeeded, though it may have cost the Government about M\$3bn. "We are prepared to pay the price," says Dr Mahathir.

This heavy purchasing programme could hardly come at a worse time for the economy. micority and the poor rural Malay majority. Fear of renewed racial con-World recession is at last beginning to take its toll inside Malaysia, with all commodity prices at record lows. M\$4bn is in the process of being cut from this year's budget and even sterner measures will be needed if the recession con-

World Recession: "We are figuring out how to tackle the problem and the most important move so far is to cut down on our expenditure, to reduce government, spending, to live within our means and to be more productive. Although the recession will continue to have a very deleterious effect on the economy it will not be as bad as most other countries."—Dr Mahathir-Mohamad, Prime Minister

The damaga being done by the recession—seen as being the result of ill-conceived and irresponsible economic management in the U.S.—has taught Dr Mahathir's Government an important lesson. As an exporter of primary commodities its economy is too reliant on the fateand the whims-of the world's One of the first communities major economic powers.

In future, in an effort to in sulate the economy, greater attention is likely to be given to building up the country's own industrial base. Its own market of 14m people may be small but it is increasingly affluent Moreover, put into the context of the fast-growing ASEAN region even the problem of a small market may not become serious.

After a decade of remarkable stability in the region Dr Mahalngly concerned that world powers like the U.S. have come to take this stability for granted.

What bas been forgotten. Dr Mahathir notes, is that this atability is based on the pre-mise of rapid economic growth. Lose the growth momentum and such stability can no longer be taken for granted even in a country as apparently sound as Malaysia. Rising economic expectations, resurgent Islamic fundamentalism and the constant threat of Communist insurgency mean that the indus-trialised West neglects this region at its peril.

David Dodwell

MAIN POLITICAL PARTIES

WithIn the ruling National the business community. The opposition: DAP: The Democratic Action Front coalition: UMNO: the United Malays National Organisation, sup-Party. Claims to be a multiracial party and has some non-Chinese members but attracts mainly ported by the Malay community and the dominant party in the ruling coalition. The leader of UMNO automatically becomes Prime Minister. MGA: The Malaysian Chinese

MAIN RACIAL GROUPS

(around 52 per cent) and are made up of Moslem Malays on Peninsular Malaysia and Malays and indigenous tribal people in the eastern states of Sabah and

Bumlputras: Literally "sons Malaysian Chinese: A substan-of lbe soil," usually defined as tial minority of Malaysians "the Malay races"; these form (38 per cent) are ethnically the majority of Malaysians Chinese. There are significant Chinese populations in Sabah

> Indians: Make up around 10 per cent of the population of Peninsular Malaysia.

Total population 1980 (1 1: eninsular Malaysia: Malays	3.600 Indians Others Sarawak	3.920 1.186 0.802 1.248	

Economy set to weather bad spell

PROSPECTS for the Malaysian world recession are far from bright. Last year saw the first trade deficit in the country's bistory as commodity prices plunged to record lows and Malaysla's terms of trade deteriorated by 17 per cent. The Government baa called for austerities and ls to make deep cuts in spending, mainly on defence.

But this deterioration should

not be allowed to obscure the very real achievement of the past 25 years. Economic growth has averaged more than 8 per cent over the past decade. Gross Domestic Product (GDP) has more than quadrupled to

Even more significant, from a classic colonial plantation economy in 1960 relying on rubber for 62 per cent of its export earnings and tin for a further 17 per cent the country has diversified strongly into manufacturing—which now accounts for almost 20 per cent of exports—and into new commodities like palm oll (9 per cent of exports) and timber (14 per cent of exports).

The discovery of oil and gas

has also made a considerable difference. Oil exports now account for almost 29 per cent of export earnings.

It is a measure of that country's resilience that eco-

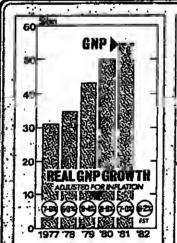
nomic growth for the present financial year is still targeted for 6 per cent and that strong counter-cyclical policies are to be maintained to keep the worst effects of the recession at bay.
Officiala also emphasise that the recent call for austeritiesabout MS4on is to be cut from Government spending this year
—is a precaution rather than a

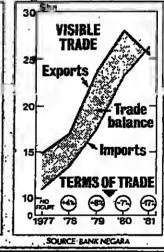
"In fact the recession may prove to be a blessing in dis-guise," said one senior Govern-ment official. "The economy has been expanding relentlessly since independence and it may he useful to stop and take stock. When you are flush you may not he allocating resources in the best way. This will force us to economise."

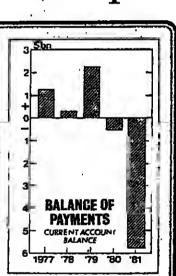
crisis measure.

Sanguine as officials may still be, the country's balance of payments problems are severe. Following a visible trade surplus of over M\$7bn in 1979 and of almost MS5bn in 1980, Malaysia last year suffered a deficit for the first time in its history—of M\$890m. Current indications imply

1982 will be even worse. The visible trade deficit for the first quarter of the year was MS460m quarter of the year was MS460m the past two years. Malaysia as export earnings fell a further for one is deeply sceptical about 8.9 per cent in annualised Tungku Hamzah, the Finance Minister, forecasts a trade deficit for the year of over M\$2bn. Added to the usual deficit on services The lessons of the current laid down in 1970, is now well this is likely to lead to a current recession are likely to lead past the half-way mark and







account deficit of more than

strong inflows of capital the country is likely to face an overall balance of payments deficit of M\$2bn, forcing further draw-ings from reserves. In the three months to March last, reserves shrank by M\$1.3bn to M\$8.58bn, covering less than 3.9 months of imports. A year ago reserves provided 5.3 months of import

Since the Government is beavily dependent on taxes on commodity exports for a large part of its funding, the slump in world demand for Malaysia's primary producta la forecast by the Finance Minister to creata cash flow problems in the year Spending cuts are the first

precautionary move. But if the ments over which it has no problem becomes more acute the Treasury is likely to put increasing pressure on Petronas, the country's national oil company, to boost oil exports despite the recent decline in world prices. Output is already about 20 per cent above last year's average of 280,000 barrels

Malaysia can be confident that any upturn in the world economy will have an immediate impact on its own economy. Over the past three years all Western industrial manufactnrers bave cut stocks to a minimum. An upturn in world trade will not only have an

immediate and strong impact

on prices but will prompt a

Despite current adversities

surge in sales. Having seen predictions of an upturn constantly revised over assurances of an upturn by the Razaleigh end of 1982. Tungku Razaleigh expects no upturn at least until

accordingly.

Malaysia into a new and third phase in its post-colonial aconomic development.

In the early years after inde-pendence priority was given to import substitution. But this aim was soon modified, mainly because the smallness of the local market and the comparative poverty of the population made economies of scale

In the second phase emphasis has been put on export promotion. For a country like Malaysia this bas brought tre-mendous rewards. But the recession now grlpping the West has underlined to the Govern-ment in Kuala Lumpur that this preoccupation with exports bas made the country overdependent on the fortunes-and the economic whims-of governcontrol.

In addition, declining confidence in international commodity agreements, which are seen as being manipulated in the interests of consumer countries, has convinced many that it is dangerous to rely in future on raw commodity exports.

So Malaysia will in future be re-examining the value of import substitution. Its domestic market may be small but if taken as part of the ASEAN region then it may be viable. Malaysians are also much wealthier and have stronger material ambitions.

There is likely to be a strong drive to broaden the country's manufacturing base. Industries based on its oil and gas resources are already being set up. Agro-processing industries, particularly in timber and rubber, will be built up despite resistance from countries in the industrial West.

Then there are pressures to the end of 1983 and is planning achieve targets set by the new accordingly.

This policy.

there is some concern that the aim of transferring 30 per cent wealth to the indigenous population by 1990 may not be met without a fresh impetus. For this reason the Government last year set about buying

out major foreign plantation interests in the country. The short-term cost was very high - perhaps Ma\$3bn - but the Government is confident that long-term benefits will come from bringing these companies under domestic control.
Unhappily, this heavy purchasing programme coincided
with the present export slump term added to the country's balance of payments problems.

All of these changes call for maximum effort from the

country's still largely unskilled Dr Mahathir Mohamad, the Prime Minister, has called for the people to "Look East"-to Japan and South Korea.

Since Japan is by far the country's biggest trade partner and its second largest investor (after Singapore), this policy might simply be seen as the Government realising on which side its bread is buttered. But at the same time much can be gained from instilling the Japanese work ethic in Malaysia's rather happy-go-lucky workforce and by adopting Japan's extremely successful work methods.

Recession has slowed growth in Malaysia and is certain to cause short-term problems. But in the longer term the country has the ingredients for strong growth. Unlike most countries in the developing world it has all the resources it needs to generate its own development. With natural gas about to come on stream next year the industrialisation process is perhaps just about to begin.

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PROFILE: DR MAHATHIR MOHAMAD

Politics

Sweeping victory at the polls last April has given Dr. Mahathir Mohamad and his administration a powerful platform to initiate new policies. This page reviews the political scene and profiles som e leading members of the new government team

Strong backing from electorate

THE NEW schministration of Dr in parties between elections and Sarawak. Separated from are drawn in a way that Mahathir Mohamad went to the rather than between parties in the peninsula by 1,000 miles of greatly hinders chances of polls in April this year to win a mandate from the country's 14m people — and came away with the most resounding ever scored Malaysia's 25-year history.

The Government's national coalition, dominated by the United Malays National Organisation (UMNO), won 144 of the federal assembly's 166 Seats—12 of them uncontested. If won backing from over 60 per UMN. cent of the voters.

The victory had never been in doubt hut the size of the coalition's majority was seen as emphatic Support for Dr Manathir's call for "clean efficient and trustworthy"

Gains made by the coalition's Chinese party, the Malayslan Chinese Association (MCA) Chinese Association (MCA) were also seen as providing endorsement for the party's appeal to represent the country's Chinese community, which makes up 38 per cent of

the population.

Bespite talk both before and after the election of Dr Mahathir's Government ringing in numerous changes (the phrise bas caught on because of close collaboration between the Prime Minister and his deputy Datuk Musa Hitam) the new government has ao far brought more a change of style than of substance.
Politics in Malaysla remain

in essence communial politics. The dynamic for political activity is the delicate balance between the country's racial groups. Political parties are still after 25 years communal parties rather than class parties. At the same time, while elections provide an interesting focus on the country's political personality, they are not water- to be much more compliant to shed occasions as they are in Dr Mahatbir's needs than those other democratic countries. . As . one leading academic studying tions. Malaysian politica recently Two exceptions are likely to explained: "Real political be the governments in Malaystruggle in Malaysia takes place sia's eastern states of Sabah

Dodge Dodge

spell

PROFILE: ISMAIL ALI

Betwean elections component parties of the coali-tion normally undergo fierce power struggles as factions vie for control of the party machine and positions of party leader-

This is particularly the case inside UMNO, the country's dominant party and the leading coalition partner, Leadership of UMNO carries with it national prime ministership and control of the Government's axtensive machinery of patronage.

For all that, elections perform a valuable function in Malaysian politics, mainly allowing the Prime Minister to re-shuffle his party and his government. This April's election was no exception. Dr Mahathir's reallocation of seats among coalition parties (coalition rules forbid contests between member parties) and between indi-viduals and factions within parties waa extensiva.

Inside UMNO, for example, only 38 of the party's 69 federal members were renominated. At the state government level 106 of the 198 sitting members were replaced.

For Dr Mabathir this reshuffle was more than usually important. It allowed him in the wake of the election to bring in phalanxes of "new atyle" leaders, university - educated technocrats, untainted by the corruption implicit in local patronage machines and above all loyal to him and the federal goveroment.

State governments, which have considerable autonomous powers and have in the past been a thorn in the side of federal governments, are likely in place before the April elec-

plough their own furrows.

and the United Sabah National sula's smallest constituency—Organisation (USNO) overrode inevitably it is in a rural Malay the co-operation that should be implicit between two parties 24,000 votes. implicit between two parties that are both members of the

When Dr Mahatbir allowed USNO to conteat five federal aeats in the state, Datuk Harris Saleh, the Berjaya leader. flouted coalition rules by asking five of his members to "resign" and stand against the USNO candidates as "independents." Berjaya and its independents swept the board, giving a direct sub to Dr Mahathir. This may not, in due course, go un-

In Sarawak the main shock was the unexpected victory for two candidates from the opposi-tion Democratic Action Party (DAP). The surprise reversal was seen as a aympathy vote, since the poll in Sarawak took place several days after DAP defeats on the peninsula had heen announced. But it was also a warning that the large Chin-

in favour of ethnic Malays.
For Malaysia's opposition
parties the election must have been a rather frustrating experience. The election campaign was limited to 15'days, with a total ban on outdoor rallies - both factors greatly to the advantage of the ruling

Opposition resources were tiny by comparison with those of coalition candidates, who not only tended to get the backing of big business but also often found the Government macbine at their disposal.

Even where opposition sup port is strong — particularly in the Chinese-dominated urban -constituency boundaries

the South China Sea, leaders opposition success. For example, there have always tended to the densely Chinese-populated constituency of Petaling Jaya In Sabah fierce rivalry be in Selangor has an electoral roll tween the ruling Berjaya party of almost 115,000. The penin-

> Given thia weighting favour of the Government the consiatent support for opposition parties is surprising. Even in the latest polls, where the result would imply a strong swing to the Government coalition if measured in terms of seats won, opposition support staved remarkably solid.

> The Chinese-backed DAP jost 10 of the 15 Federal seats it bad won in the 1978 election but its voter support fell by a bare 1 per cent to 20.3 per cent. Similarly, the opposition Parti Islam, which as its name would imply wins backing from

the more conservative Malay voters concentrated in the four states of Kelantan, Trengganu. Kedah and Perlis, managed to win just five Federal seats. Its support nationwide is just 14.5 per cent but it won almost 47 per cent of the vote in Kelantan and over 41 per cent ing restive about the effects of the bome state of the Frine federal policies discriminating Minister, it won the support of over 32 per cent of the

While Dr Mahathir can draw comfort from the parliamentary majority he has won it must be a matter of concern that such a large percentage of the population remains impervious to the appeal of coalition parties des-pite the weight of the propaganda machine mobilised during elections and despite the amount of patronage which supthe coalition can

David Dodwell

Leader with strong ideas

Mahathir's past year in office as spheres Dr Mahathir and his who have amassed ill-gotten Malaysia's fourth Prime Minis-deputy, Datuk Musa, have wealth, ter has brought about a change planted their men at strategic But for all that the Mahathir in style and direction and heightened the expectations of the population.

He hes shaken many an establishment. Civil servants may still grumble but they, nevertheless, have to clock in for work, wear name tags across their chests and declare their

The generals have been told, and bave accepted gracefully, that they have to do with less men and less expensive weapons SOME PAPERS have enthusiastically called it the "Mahathir transformation." Certainly Dr systems under the present difficult period.

In the political and corporate

positions. They have succeeded in chipping away the once paramount influence of Tengku Razaleigh, the Finance Minister, in the economy.

The charismatic Datuk Harun. regarded as the third most powerful politican, is held in check. The Prime Minister is giving him no cause to rebel and Harun staya on the political sidelines, shackled by the constraints imposed by bia jail

term.
Dr Mahathir promises to inatil "the fear of God" among the lations of them signs of unease among those

But for all that the Mahathir regime remains fragile, uninstitutionalised. His major policies have not been severely tested as to their worth and durability. His "Look East" policy has generally been met by confused

perplexity among planners, not menuon chagrin among Malay intellectuals. Dr Mahathir wanta hia rule to provide the launching pad

for Malaysia to leap into the front ranks of the nations. Only time will tell whether Malaysians can live up to his expec-

Wong Sulong

PROFILE: ANWAR IBRAHIM

Guiding hand for Islam's role

Mahathir Mohamad pulled off a notable pre-election coup earlier this year when be persuaded the charismatic Moslem intellectual, 35-year-old Anwar Ibrahim, to join the United Malays National Organisation (UMNO), the principal Malay element in the calling National Front the ruling National Front coalltion. Anwar beaded the highly respected Moslem youth movement, Ablm, and brought with him a solid wedge of reputable Islamic support which might otherwise bave gone to the funda-mentalist Moslem Party, Parti, Islam (PI).

Anwar first came to prominence following the May 13 riots in 1969 which threat-ened to split Malaysia along

racial lines. He was a suffi ciently popular student leader at the University of Malaya to attract the attention of the security anthorities; he was detained under the Internal Security Act for consistently acting in a manner prejudicial to the security of Malaysia . . . with the ultimate aim of overthrowing the legally constituted government of Malaysia by preparativational and source. nuconstitutional and revolutionary means."

Back in political favour, together with Dr Mahathir who similarly suffered a poli-tical eclipse in the early 1970s. Anwar Ibrahim is now a deputy minister in the special responsibility for the introduction of Islamic con-

cepts into the country's highly pinralistic society—a task fraught with political dangers. UNMO has to treat a delicate path in order to represent Malay interests, while containing the appear of religious fundamentalism temporarily rejected by voters but fuelled by Islamic nationalism abroad. While suffering a decline

-Anwar soundly beat his PI opponent in the election-the more theocentric party won states to maintain a credible presence there. The Islamie missionary groups, moreover, continue to make headway, particularly among young well-educated Malays.

Kathryn Davies



This is how we chose our First Class 747 seats.

Investment head

MOST central bank governors, after 20 years in the post, would be glad to retire with

honours for a well-carned rest. But not ismail All. He did get his honours—a

tunship (corresponding to a peerage).

But after putting in his own proteges at the Malaysian Central Bank in 1980 be went on to head the Government's investment agency, Permodalan Nasional Today the 63-year-old Cambridge educated Tun Ismail Is undisputably Malaysia's most influential corporate figure.

As the Permodalan chief he As the Permodalan chief he

has the job of ensuring the success of the new economic policy—a 20-year bineprint for the nation's stability through the acquisition of at least 30 per cent of the nation's corporate wealth by the Malaya and other indigenous peoples (the

PROFILE: ERIC CHIA

In 1970 the Bumiputras held iess than 3 per cent of this corporate wealth. They now control around 15 per cent.

To do his job Tun Ismail, in-law, has virtually a blank cheque from the Government to bny, take over or invest in Majaysian companies.

Permodalan now has stakes in nearly 100 companies and its assets are worth over Ringgit 3bn. The agency controls such giants as Bank Bumiputra, Malayan Banking, Sime Darby, Guthrie and Malaysia Mining Corporation. Major recent deals include the purchase of 51 per cent of Harrisons Malaysian estates and the takeover of some strategic companies of the Seiangor State Government

As at the central bank Tun Ismail keepa his Permodalan

team compact. As far as post ible, he says, Permodalan wiil not interfere in the running of individual companies. "If they are making money and complying with the new economic policy we should leave them alone."

choosing seats, we were very particular. We tested many. Which is why we rejected this one. It's too harrow and too shallow with not enough padding. Definitely not right for First Class. And surely not on our new 747s.

When it came to



Half an hour on this seat felt like 12.

We rejected this one too. It's nice to look at. Even seems comfortable. But that's about all. Not the kind we want you to sit on for a long journey. In fact, after this we tested many more. None came up to the mark. Not until we tried the one we picked.

Top industrialist

ERIC CHIA is perhaps the best illustration of what Dr Maha-thir means by "looking East."

There is nothing mysterious well as lessons in cooking and flower arrangement are provided and employees sing a company song like their feilows in

There is nothing mysterious about the Japanese management and work style." says Eric Chia, a burly aix-footer. "The Japanese work bard and are more buman in their approach. With certain modifications we can do it here."

At: United Motor Works, At United Motor Works, where he is chief executive, this Japaness style is being put into action. Decisions are reached by consensus, first among the five executive directors, then later with the operational directors before the department befere the department heads and supervisors are finally brought in. This tends to slow down decision-making but the message gets across effec-

UMW was begun as a bicycle and car spare parts shop in Sin-gapore by Eric's father 50 years ago but it was Eric Chia, operating from Malaysia, that built UMW into a billion-ringgit business today.

UMW, which is involved in distribution of heavy equipment and in engineering and manufacturing pulled off a cor-porate coup last year by wrest-ing the Toyota car franchise in

ing the Toyota car franchise in Malaysia from Inchcape.

Eric Chia, 49, freely admits his debt to the Japanese and Malaysia. The Japanese helped him by giving him agency lines on liberal credit while Malaysia provided him with a bome.

Today of the Ringgit 154m in ively.

UMW spends a iot of money
and time on forging closer links
among it 8,600 employees. Free
among it 8,000 employees are
Chia family 28 per cent and the

Malayaian and Singaporean pub lic the rest.

Besides UMW, Eric Chia sits on the board of several major companies, including the Heavy



Industries Corporation of Malaysia, and is a member of Dr Mahathir's panel of economic

W. S



PROFILE: AZMAN HASHIM

Corporate banker

"AFFER MORE than 20 years as a banker it is very exciting to own a bank," says 43-year-old Azman Hashim, who paid Ringgit 56m last April for 55 per cent of Arab Malaysian Development Bank. He has subsequently enticed Malek minequently enticed Malek Merican, director of corporate planning at Sime Darby, in he his managing director.

The two will make 2 formidable team. They

of the emerging breed of forms burning of the forms burning of the forms burning of the forms of the form

1960 after returning with an accountancy degree from Australia. He left four years later to start his own practice and joined Malayan Banking's board in 1966. He was its executive director until last year. Cambridge-educated Malek was deputy secretary general at the Treasury before he joined the private

"Arab Malaysia is Malaysia's biggest merchant hank but we want to make it the best as well," aays Azman. sees many opportunities for merchant banking aince Malaysia is growing capidly and the financial market is beginning to mature.

well-rounded banking and financial group with interests not only in merchant banking but commercial banking, finance companies and insur-

Azman also has a 40 per cent stake in the publicly listed Taiping Textiles. With a hank and a publicly listed commercial enterprise, he is well placed to build a corporate empire. A start has already been

made, with Taiping Textiles

moving decisively into pro-perties by the recent acquisition of five property companies. Besides managing his own fiedgling business empire Azman sits on the board of

Malaysian Airline System and Malaysia Mining Corporation.





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Foreign Policy

The concept of South-East Asia as a "zone of peace, freedom and neutrality" is the guiding principle of foreign affairs. At the same time changes are occurring which particularly affect trading partners new and old-notably Britain, Japan and Singapore

Some shifts but commitment to Asean group stays firm

MALAYSIA IV

MALAYSIA'S foreign policy has had a thorough shake-down over a year of Dr Mahathir's government. New initiatives have been taken aimed at resolving the conflict in Indochina, a chill has fallen over official relations with Britain and in attitudes towards the role of the Commonwealth. A militancy has arisen over international commodity agreements and a "Look East" policy bas been earnestly

Yet for all the appearance of sudden breaks with past policies Malaysia's overriding and distinctive foreign policy priority remains unchanged. It was first articulated by Tun Razak in 1971, who cailed in vain on ASEAN to make a "declaration of neutralisation of South-East

More recently Malaysian governments bave called for South-East Asia to be made a "zone of peace, freedom and neutrality." with Super-Power influence kept to a minimum.

The concept has never formally been adopted but the apirit of Malaysia's call has been shared by its regional partners and substantial progress has been made.

While genuine concern remains over the struggle for power in Kampuchea, a level of calm and stability bas been achieved in the region that would have seemed inconcervable in the 1960s.

At that time the Vietnam war shook the region. The fear of Communist infiltration and insurrection, encouraged by an extreme and xenophobic regime in Peking, waa acute.

From the south President Sukarno of Indonesia threatened neighbours with "confrontation." The Philippines were making territorial claims on parts of the embryonic Federation of Malaysia. Even closer to home Lee Kuan Yew in Singa-pore was following a political path which made break-up with the tiny island state inevitable.

The Association of South-East Asian

Nations (ASEAN), first mooted in 1967 by Indonesia in the wake of President Sukarno's overthrow, has played a primary role over the past 15 years in pouring oil on the region's troubled waters. As it has grown in maturity it has also been instrumental in keeping Super-Power contention to a minimum.

Malaysia's main foreign policy concern today is Indochina or more specifically the presence in Kampuchea of the Victnamese-installed Heng Samrin government and Vietnam's 180,000-strong occupation force in the country.

For three years the ASEAN member states bave led the dipinmatic efforts to end the conflict in Kampuchea. At first this joint effort played an important part in strengthening ASEAN and encouraging close co-operation between them.

But as time bas passed and inter-national interest in the issue bas faded so differences in perception have emerged among ASEAN members, with each baving a distinctive perspective on the

nature of the Vietnamese threat to the region, the longer term threat from China and the best tactics for achieving a settlement.

Committed to a war of attrition against Vietnam, ASEAN has found its own unified stand crumbling faster than the Vietnamese, attrition or 00 attrition.

Aware of this trend and aware that support is eroding for its position inside the UN General Assembly - where it continues, albeit embarrassedly, endorse the membership of the genocidal Khmer Rouge regime - ASEAN has worked stolidly to sat up a Khmer coali-

tion government in exile. That effort at last bore fruit this summer when the Khmer Rouge joined with Prince Norodom Sihanouk and former Khmer Prime Minister Son Sann in Kuala Lumpur to establish a tripartite coalition.

Few people are willing to argue that the coalition will survive for long it is a marriage of dubious convenience

General Assembly this autumn and ask members to back the coalitinn against Heng Samrin instead of again asking support for the Khmer Rouge regime.

In the waka of a major tour of the region by Nguyen Co Thach, Vietnam'a Foreign Minister, nn one would dare claim that progress on substantive issues has been made. Life in Kampuchea under the Heng Samrin regime seems steadily to be returning to normal. Prospects of Vietnamese troop withdrawal remain dim without a significant soften-

ing of China's attituda towards Vietnam. If there is any softening it is on the part of ASEAN members, where doves like Malaysia and Indonesia are adamant that doors to Hanoi must be kept open. Even the hawkish Singapore Government is quietly discussing the Ekelihood of Heng Samrin being persuaded to join the recently established tripartite coalition — perhaps at the expense of the Khmer Rouge.

remains strong that a stable Vietnam will in future be an important buffer against China; others inside ASEAN share that view.

But while Malaysia's hope for peace, freedom and neutrality in the region comes closer to fulfilment than at any time in the past 21 years a new shadow

has appeared over the horizon. Western governments, particularly that of the U.S. seem to have forgotten that the often-knded stability of the strategically important South-East Asian region is premised on rapid economic growth. The loss of growth momentum, if not soon corrected, will introduce new and dangerous elements of instability among people who have in the past few years become used to 10 per cent annual growth and have acquired a taste for the luxuries of life.

David Dodwell

Britain gets the shock treatment

DR MAHATHIR MOHAMAD, Malaysia's Prime Minister, is a firm believer in the political and economic value of sbock treatment. No community in Malaysia at the moment will he more acutely aware of that fact than the British.

Piqued by what was often felt to be smugness and com-placency by British businessmen whn had rested for too long on the remnant laurels of colonial power and affronted by snubs which made it all too clear that British Ministers bad scant regard for what Malaysians still saw as a "special relationship with the motherland, Dr Mabathir last October issued a directive that sent sbockwaves through the British expatriate community - and through Whiteball

Insisting that all Government contracts involving British tenders must come directly to him. Dr Mahathir imposed what amounted to a boycott of British goods. Given a choice between competitive tenders the Government would in future reject the British tender.

The policy remains intact to this day, with attempts to calculate Britain's export losses ranging hetween £30m and hundreds of millions.

UK Trade Directive: "Everything else being equal, or even slightly unequal, we would buy non-British. If the difference in price is, say, 5 per cent we would still buy non-British." Dr Mahathir Mohamad.

Business in Malaysia?

Go in with our knowledge on your side.

Whitehall nor Neither British business interests yet know quite what has hit them; nor do they know bow best to

Dr Mahathir's shock treatment against Britain came as a bolt from the blue for at least two reasons. First, it was always felt that Britain had made a great success of weaning Malaysia to full independence without viclence or anticolonial npheaval. Britons back in London may not have heen aware of the "special relationship" expressed by Malaysians but those in Kuala Lumpur or elsewhere in Malaysia basked

in it daily. Secondly, Britain's pre-eminent position as Malaysia's main trading partner bad long Britain's since been eclipsed by Japan It has always been thought that it was the Japanese who were resented in the region as a predatory animal."

What the British failed to note adequately was Dr Mahathir's personal bias against Britain and his desire to demonstrate vividly his unwillingness to remain for ever the economic victim of a patron-client trading relationship in which Malaysia

supplied raw materials for the

manufacturing industries of the

They failed to realise what a convenient scapegoat they were as Dr Mahathir strove to inatil a stronger sense of national dignity and—through his "Look East" policy—to inject more vitality into the work ethics of Malaysia's easy-going people.

Many of Dr Mahathir's grievances were gennine. By raising UK university fees Mrs Government had created real difficulties for a country with over 15,000 students currently in Britain.

Anger in the British business

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many doors we can help you open.

community over Malaysia's "predations" on companies quoted on the London Stock change with substantial plantation interests on the peninsula was rightly seen as hypocritical and unjust.

The uproar in London endorsed Dr Mahathir's view, expressed in his book Malay Dilemma " over a decade Europeans came out east not to conquer but to trade. In the quest for trade, bowever, they were prepared to do anything. They made treaties and they broke them. They were in fact completely unscrupulous."

But as the quotation makes clear Dr Mahathir said the predatury attitude was as common Europeans, not exclusively to Britain. This adds to the perplexity among Britons that they should be so singled out.

It has nevertheless become clear that Dr Mahathir's directive was not a nine-day wonder. Malaysia wants not British salesmen knocking at its door but British investors. Invest-ment in plantations and other areas of colonial interest is not enough. Improvement in relations will nnly come over time and after painstaking effort.

Relations with Singapore in happier vein

RELATIONS between Malaysia and Singapore have undergone a transformation ever the past 10 years. Primo Minister Dr Mahathir Mohamad recently Singapore's success story in the economic and social fields cannot but be a model for Malaysians rather than an object for envy. What we do within our own country is therefore contributory and

complementary towards each

other's progress." This was a marked shift from Dr Mahathir's view of Singapore in 1970, which he articulated in his famous polemic, The Malay Dilemma: "In the Malay archipelago Singapore stands out like a sore thumb. Singapore's progress and presperity must depend on, indeed must be at the expense of, her neighbonrs . . . the only reason why the relationship between Malaysia and Singapore is not more strained than it is now is because the Chinese in Malaysia wish to maintain good relations with Singa-

Mahathir was not alone among Malaysian politicians to have his suspicions of what nne Singaporean rue"this upstart of a young state." Relations between the two governments were unhappy from the creation of the Federation of Malaysia in were only just in the overall majority in the new entity and feared that Lee Kuan Yew's tiny Chinese City State would end up calling the political tune, whereas the unofficial arrangement, in the eyes of Kuala Lumpur, was for the Chinese to run the economy and the Malays the

politics. In a welter of mutual recriminations the two countries went their separate ways in Angust 1965. Mahathir subsequently spelled out in his book some of the areas of conflict between the two neighbours: Malaysia'a nverdapendence on Singapore as a trading partner; discrimination against the employment of Malaysian nationals in Singapore and the close economic ties between economic ties between Chinese families on both sides of the causeway which seemingly threatened te undermine Malaysia's eco-

nomic strategy. Not all causes of friction has been a profound change in the public attitudes of both ents towards each other and Singapore's Lee Kuan Yew went out of his way to congratulate Dr Mahathir when he became Primo Minister.

Economic success has bred greater mutual respect. Malaysia's own evolving economic maturity and the diversification of the Singapore economy have left the two countries less wary of each other. Interdependence, however necessary but once bitterly resented in Kuala Lumpur, is now seen to

have advantages. Malaysia has improved its infrastructure, including vital arterial highways and ports. in an effort to trade directly with the rest of the world and not exclusively through Singapore. The City State. for its part, ne innger con-siders that the Malaysians "are taking away nur rice as a Singaporean diplomat put it.

On the political front, strains over Brunei, the tiny oil-rich sultanate sandwiched between the eastern Malaysian states of Sabah and Sara-

independent from Britain in 1983, have also been soothed. Malaysia has dropped all territorial claims to Brunei and is actively fostering its independent membership of Asean, thus allaying Singaporean fears that the balance of regional power might be

drastically upset To ensure that bliateral relations remain at this relatively cordial level an intergovernmental agreed during former Prime Minister Hussein Onn's visit to Singapore two years ago, meets every six months at foreign ministerial level—" to act as a fireman." says one civil servant. Problems which might otherwise escalate into major confrontations can be dealt with early enough to nip them in the bud.

Dr Mahathir has taken this initiative one stage further. His civil servants have been told to co-operate with their Singaporean connterparts, ignoring any residual racial antagonisms which might be felt between a predominantly Malay bureaucracy and its Singaporean Chinese equiva-

Kathryn Davies

Focus on Japan as exemplar A PARTY of young Malaysians capital and technical expertise following the Vietnam debacle ing for advice and example. Re following the Vietnam detacte this is also a response to Japan's told a Malaysian-Japanese joint but is also a response to Japan's reacting earlier this year: "We

pioneer an experiment which ment and bi-lateral trade. -135 in all-are shortly to could have far reaching Malaysia imported \$325m worth consequences both for their of goods from South Korea last country and for its new-found year while exporting \$346m. model, Japan. They are the first of several groups of first of several groups of industrial trainees to be sent to big Japanese corporations for on-site familiarisation with the work ethics which have contributed to Japan's post-war economic auccess. In the next two years about 900 Malayslans will underen similar training will undergo similar training with world-famous names such as Matsushita, Nippon Steel, Hitachi. Sanyo and Toyota.

It is the first time that Japan has ever co-operated oo such a programme involving so many young foreign workers, although young foreign workers, although
the numbers involved are small
compared with the 30,000
Malaysian atudents attending
courses in Britain, Australia
and the U.S. None the less, the
successful implantation of the
Japanese psyche into Malaysian
workers is regarded as essenworkers is regarded as essential if the currently rosy relatial if the currently rosy relations been the two countries generated by Prime Minister Dr Mahathir Mobamad's call for his countrymen to "Look East." are to prove durable.

The Look East policy also includes South Korea. with which the Malaysians recently

which the Malaysians recently the region is partly in response signed a double taxation agreement to facilitate the flow of vacuum left by the Americans

and increase Korean invest-

Japan is Malaysia's biggest trading partner and recently took over from Singapore as its top investor, with projects approved by the Malaysian Industrial Development Authority in 1981 amounting to M\$69.Im. Australia and the U.S. with M\$57.9m and M\$47m respectively rank second and third. trading partner and recently Exports to Japan dropped

from M\$954m in the first four months of 1981 to M\$733.5m in the corresponding period this year. The Malaysians bought more from Japan, M\$1.71bn of manufactured products, heavy manufactured products, heavy machinery and transport equipment. However, the trade gap is likely to swing in Malaysia's favour when the Japanese start importing natural gas from

Since 1966 Japan has pro-vided Malaysia with Y195bn of concessional loans to finance concessional loans to finance major induatrial projects, including hydro-electaic power plants, construction of port facilities in Johore Bahru and Bintuln and the Counaught Bridge gas turbine power attaion.

Japan's beightened profile in the region is partly in response

desperate need for natural re-

Malaysia is Japan'a largest alinys. When the Bintulu natural gas project comes on stream Japan will import virtually the entire output—an estimate of the control of the ally the entire output—an esti-mated 6m tonnes, worth \$1.8bn a year. Since 1977 Japan has been providing aid through its Official Development Assistance programmes (ODA)—Y1.150bn for a variety of educational projects.

But while Japan is closely in-volved in the Malaysian economy, the Japanese have consistently taken a low politi-cal profile, no doubt mindful of the anti-Japanese demonstra-tions in early 1974 directed at what was perceived to be Japan's "economic imperialism" in South-East Asia.

However, it is Japan's phenomenal economic growth in the interveeing period which has attracted Prime Minister Mabathir Mohamad, whose election campaign on clean, efficient and campaign on clean, emcient and trustworthy administration was endursed by voters in Msy. While some would argue that an example of good work ethics could be found closer to bomeamong the country's own ethnic Chinese population and in Chinese population and in naighbouring Singapore—it is to Japan that Dr Mahathir is turn-

meeting earlier this year: "We bave for a long time been looking West, as did Japan in the aupplier of natural rubber early days of her development. (latex). palm nil, tin and tin But the West is no longer a suitable model. They have lost classified as developed but it is still developing vigorously. As such it is a much better example for developing Malaysia."

for developing Malaysia."

The formation of three Malaysian-style sogoshoshas giant general trading companies—was an early response to the new Look East policy, which also seeks to avoid excessive dependence on Western markets at a time of world recession. But there are serious doubts in both Malaysian and Japanese business circles about whether the Japanese work ethic will "take" in a very difwhether the Japanese work ethic will "take" in a very different multi-racial society, with none of Japan's traditions or cultural homogeneity.

The Japanese themselves seem slightly bemused at having the spotlight so abruptly shone on them perhaps because

shone on them, perhaps because one result of Dr Mahathir's pro-fessed admiration of the Japanese economic miracle will certainly be to step up pressure on Tokyo to transfer technology and knowbow to Malaysia if it wants economic relations to remain cordial.

K. D.

THE ROLE OF ISLAM. Kathryn Davies interviews Anwar Ibrahim, the deputy Minister with special responsibility for the introduction of Islamic concepts into Malaysia's pluralistic society

what is the role of Islam in modern Malaysian political life?

I think Islam has always been a force to be reckoned with by the ruling parties and work with any of the opposition parties.—even to work with any of the opposition parties at the same time we by opposition parties—even non-Moslem parties. The Malay identity and Islam are some what indivisible. But of course the awareness, the conscioua-ness and the relevance of Islam in terms of our economic and social life are felt more now. More and more of our intellectuals, even those that are trained in the West, are calling for meaningful Islamic reforms. To what extent has Parti

Islam been responsible for pushing the ruling coalition into moving in an Islamic direction?

I think very minimally. I was one of those who was critical of Parti Islam's participa-tion in the coalition (1974-78) precisely hecause they lacked articulation to put their ideas across to both Moslem and non-Moslem. To be objective, the impact of Islam comes mainly from groups ontside the political cal arena: student and youth groups, general dakwa (or Islamic propagation bodies).

opposition action groups. Why did you decide to join

Firstly, I was never keen to work with any of the opposition parties. . . at the sama time we (Abim) have established good with government rapport with government leaders, particularly Dr Mahathir, even when we strongly disagreed with many of his actions. With the new administration I asw the readiness of the Government to undertake meaningful reforms and programmes, to discipline society strongly against corruption, to be more committed to the eradication or poverty. I don't want to sound arrogant, because it's really e practical view that I can contribute in a small way to ensure that this process will be meaningful and effective.

process affect minority races? It depends on how you per-ceive the religion in the first place and then how we implement many of these policies. What is unfortunate ia that in Islamic propagation podies). Many wostem societies the percompared with many other countries, the Government has been somewhat tolerant not only with Islamic movements or pressures but generally towards of the country involves institutions are to cooose. Many mostem societies the perlems now, for example, have a firm enough. I would say something the problem because they feel that they cannot participate in the present modern banking system. But they cannot be deprived we are taking steps. many Moslem societies the per-ception is very doctrinaire and dogmatic. What we mean when

How will the Islamisation

like the Islamic Bank. The Islamic Bank is just a modern banking system, without levying interest or usury on people: I think it is, therefore, free from being exploitative. But in terms of participation and management, non-Moslems are

management, non-Moslems are free to take part.

We do not want to be portrayed as a bunch of fanatics somewhere on the lunatic fringe. I do not deny that there are some excesses even withing the kilomic properties. within the Islamic propagation movement but I dun't think they can be put forward as representing the general thinking and trend in the country. The Government is committed to having some Islamic programmes but we are also committed to ensure it is a rational view, that it is justly done with a measure of tolerance and to accommodate the wishes and ambitinna of the non-Moslem

What are Malaysia's long-term plans for Islamisation?

In a system like ours it is competitive co-existence. People are free to choose. Many Mos-

just because they disagree with the interest that is levied. Similarly, we are talking ahout a moral code in our society. This is not something that is difficult for the non-Moslem to comprehend. Moral code means to be concerned with the welfare of the poor, to be against any form of exploitation, to be active in combating

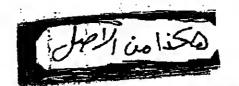
Of course I would see it from the Islamic perspective, while the Christian would say he wants to look at it from the Christian perspective: I'd have no qualms about that, as long as we try to put a better standard that's generally acceptable te the community. I think it's more significant to ensure that this Islamic movement trans-cends the Malay and the Moslem mood to become the general Malaysian mood.

These values would be generally acceptable to the DAP?
I've been maintaining meetings with DAP leaders even after joining the government. They would say that there are atill excesses, that in particular areas the government is not

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Malaysia's substantial Chinese minority-ranging from the well-to-do businessman to the rural smallholder-are looking to the new political coalition to give a more sympathetic ear to their demands as a community. KATHRYN DAVIES reports below, with profiles of a representative trio.

Search to integrate aims within a multiracial society

THE POLITICAL choice for Malaysia's substantial Chinese minority in the years since the race riots of May 1969 has neen either to work within a Malaydominated government coalition, seeking modifications to or compromises with the New Economic Policy, or to confront the Malay majority by fighting for specifically Chinese economic and aocial rights. They had to make their choice in the context of political parties organised on racial lines, with the Chinese vote split largely between the Mulaysian Chinese Association (MCA)

and the Democratic Action Party (DAP). For the moment a substantial part of the Chinese community seems to have decided that the conservative business-

orientated MCA is more effective, an impression that was reflected in the ruling coalition's sweeping victory in May. The opposition DAP suffered severe setbacks at both national and state levels, with its representation cut from 16 to 9 parliamentary seats ond those at stote level from 25 to 16 seats. The MCA increased its parliamentary strength from 17 to 24 seats (out of the 28 it contested).

compaign style of the 2-Ms (Mahathir and Musa) undoubtedly had. its appeal to a Chinese population whose own work ethic coincided neatly with "a clean, efficient and trustworthy" government. The fact that Dr Mahathir's exhortations to Malaysians to work

harder and more productively, together with the "Look East" policy, were seen to be directed mainly at the Malay majority, also went down well with other

As the MCA argued to some effect, under the Malaysian political system the benefits of development tend to go to constituencies which return pro-governmeot candidates; "The DAP can shout till the cows come home" notes one political scientist. But the swing away from confrontation politics may not survive the next election unless the MCA

can prove its point.

During the election campaign Dr Mahathir sought to woo MCA voters by promising to pay special attention to the views of party leader Datuk Lee San Choon in cabinet. But the more radical members of UMNO, and particularly its youth wing, are ever-vigilant for signs of any backsliding to the implementation of policies designed to gire the Malays a bigger share of the country's economic cake. Even if he wanted to occommodate the needs of the Chinese, Dr Mahathir's room for maneouvre is limited—and so is that of the MCA.

Successful Chinese businessmen such as MUI's Khoo Kay Peng. Tan Koon Suan of Multipurpose and Supreme, Lim Goh Tong of Genting Highlands and Chua Boon Unn of Cycle and Carriage have undoubtedly found it possible to live prosperously in the new political climate

and are happy to give their public endorsement to Dr Mahathir's government. But anxieties remain, particularly for those outside the Chinese business elife to whom the AlCA must appeal for broad-based support.

About 700,000 Malaysian Chinese have outstanding applications for citizenship which are repeatedly deferred for reasons which seem obscure. Chinese complain that they have difficulty in acquiring passports for overseas travel. Politicians of all Chinese political parties point to houndary changes which have made many constituencies "lop-sided"—heavily dominated by Malays.

The most sensitive issue throughout

the Chinese community remains education and with the effective demise of the idea of a new Chinese university the focus is on the official policy of deliber-ate discrimination in favour of Malay university entrants. Chinese patents who can afford it send their children abroad. while among those who cannot, resentment is growing. Virtual debarring from entry into the civil service is another concern for middle-class Chinese with professional qualifications. MCA Senator Tan Koon Suan onted recently. Today the Malaysian Chinese are still in the process of identifying their dilemms and a magical formula to the sclution of their problems is still far

THE SHOPKEEPER: LOH WAH ON

Typical of the many small family businesses

MOST CHINESE share the same values: hard work, thrift and reverence for education. But the conventional stereotype of the wealthy Chinese, an inspiration in his own community and an irritant to many outside, opplies only to a min-ority of successful entrepre-neurs in Moleysia. More typical is the small businessman with a family or clan-orientaled com-mercial or industrial business. Such people hove traditionally regarded the MCA as the party of the powerful and have tended to vote in large numbers for the opposition DAP. But Chinese political allegiances may be changing.

In ony case, according to leaders of the Malaysian Chinese business community— mostly closely allied with the MCA-the days of the small mon are numbered. The increased economic porticipotion of bumiputras (Maloys) backed by the Government, together with a much more sophisticated business environment are putning the lone entrepreneur under threat.

But this news of their im-minent demise does not yet, seem to have filtered down to the estimated 125,000 to 300,000 small enterprises (defined as units which employ fixed assets below MS 250,000) that still seem on integral part Molovsia but all over Asia. In one of the most popular shopping complexes in Kuala Lumpar one finds a labyrintb of boutiques, beauty parlours and open-fronted video equipment emporiums, blaring out a deafening cacopbony of Western Chinese ond Malay pop music. There sits the small Chinese entreprenent, often employing other family mem-



six or possibly even seven days

complex is Lob Wah On's colour processing loboratory, which doubles as o retail outlet. He has two other shops elsewhere in the capital. "I believe that my business is o fomily business. I don't think it's ever going to become a

MS 5,000 of savings and a de-termination to start up on his own (Most small-scale Chinese businesses start with copital of problem, less than MS10.000.) "I got When into debt, blg debts. Basically It was a matter of cash flow. My family comes from the kam-pong (village) and I'm without any family [finoncial backing]."

By this time Wah On was married and his wife, who owns her own boutiques, and her family chipoed in to clear hers and working a 12-hour day his debts. Then be was eligible thing like that," he says.

for a loon of M\$ 50,000 from the Credit Guarantee Corporation, set up to belp small enterprises. The CGC limits leans to nonbumiputra borrowers to M\$ 100,000 at 8.5 per cent in-

Wah On bought his second floor shop last year for M\$ 70,000 and installed o complete set of film processing and printing machinery. He em-ploys two counter sales girls and my sister is helping out. He solved his cash flow prob-lem by doing work for cash only and not extending credit.

Politically he is a conservative, having little time for those members of his community who campaign for Chinese language education and a Chinese university. He intends to send his two children,

oged 4 and 5, to bahasa or nottional schools. "I personally beproblem quite deeply, it doesn't motter what language you speak at school, the important thing is whot kind of training you get . . . and since this country wants us to study bahaso, we might as well study bahasa."

Business—is good now, but a few years ago Wah On wos close to bonkruptcy. The 34-year-old returned from a three-year mistic—is the possibility of training and job experience course in West Germany with However, what worstes him few years ago Wah On wos close much more than national issues—about which he is optimistic—is the possibility of competition in the photo-processing business. "I should not be hoppy if somebody sets up a business of this kind in this complex. It will give me a big

When It is possible Wah On intends to move down to the ground floor to a more prominent location. But although be believes that his six-day, 72-hour week will bring him a good living, he is not listening to those who advise him to think big. "Don't make me out to be a future big industrialist or anyTHE POLITICIAN: DATUK LEE SAN CHOON

Cabinet member and voice for his people

A NEWLY recruited civil servant arriving, as he thought, early at the office was startled to discover Minister of Transport and MCA (Malaysian Chioese Associa-tion) President Datuk Lee San Choon already at his-desk, having arrived for work before 7 am. That may in part be a nod towards Prime Min-Ister . Mahathir's efficiency drive but it is also a measure of the heavy pressure on Lee and his MCA colleagoes to prodoce results following their election successes last May. "They are on triol" says one political commediator. "In fact they may not be entirely happy that they now have to deliver the goods."

The MCA is still seen very moch as the political arm of ricb Chinese husioessmen and Lee himself, a reputedly wealthy man, as the epitome

of the links between the two communities. He was one of the architects of Multipurpose Holdings, the MCA "corporate arm" designed to channel Chinese Investment into productive areas at a time when the New Economic Policy threatened to throw Chloese businessmen on the defensive. Under the guidance of MCA Senator Tan Koon Suan. Multipurpose hought up a string of malfunctioning companies and made them preserves and made them prosperous and successful. The conglomerate now has a market capitolisation of more than U.S.\$300m.

Bul for Lee the politician the key question in the next five years is whether he can moke a permanent impact on the lives of middle class and poor Chinese. The opposition Democratic Action Party, (DAP), with a solid 29 per

cent of the popular vote, stonds ready to win hack voters who in May threw heir weight helind the establishment party in the under-standing that if they did so economic fruits would be more evenly spread among the races. The DAP stands more openly for non-Malay interests in a multiraelat society but was apparently seen by Chinese floating voters as ineffective.

Lee is a political heavy-weight with 23 years' experience as a member of parlia-ment. The Ihird of iwelve children of a Pahang dentist be completed bis secondary education at the English Col-lege in Johore Bahru and reads and writes English and Bahasa, as well as no fewer than eight Chinese dialects. He is a controversial figure, both because of his wealth

and because he is generally reckoned to have a decep-tively shy exterior masking a tough, even ruthless, ap-proach to political enemies and friends alike. it is a measure of Lee's

toughness that he took up the

challenge thrown down by the DAP's Lim Kit Siang In May to fight to any one of the 12 parliamentary seats with a Chinese electoral majority. He chose to take on DAF chairman Chen Man Hin, who held the Serenhan constitu-ency with ao 8,060 majority and who had a considerable personal following. To the chagrin of the opposition Lee won the seat, albeit by a small majority, Lee threw lbe en-tire weight of the MCA pol-itical machine into the contest, as well as making some headway with the argument that in government the MCA



had achieved some results for Chioese interests such as the formation of the Tunku Abdot Rahman College, which increased the places for tertiary education for Chinese studeots; the Koladi scholarship scheme and the co-operative movements which "have given people a sense of ownership" say the MCA.

t's not really surprising that Blue Circle has been working in Malaysia for over 30 years. In any flourishing economy,

industrial growth is always marked by an increasing demand for cement. One of the most versatile materials to be found, it features in every aspect of construction from roads to hospitals, schools to airports.

Through its local subsidiary, Malayan Cement Berhad, Blue Circle is part owner of Associated Pan Malaysia Cement - a major cement producer in Malaysia. Over the years, Blue Circle has invested experience and expertise as well as money in helping Malaysia realise

her ambitions. Today APMC can produce over 2 million tonnes of cement a year. More than half of that comes from the new kiln at the Rawang Works, which is the largest in Malaysia and the most energy efficient in the whole of South East Asia. At Kanthan,

energy-saving re-building programme is now underway to cut manufacturing costs. But it's not just for cement that Blue Circle is known in Malaysia. With its diversification into the bathroom business through Armitage Shanks, the Group acquired an

APMC's other works, a major

factory in Kuala Lumpur is now expected to double output by 1983. And, other internationally-known products Sandtex and Snowcem are both made at Rawang for sale throughout the country.

interest in the country's biggest manufac-

turers of bathroom fixtures. The company's

These ventures reflect Malaysia's enterprise, growing prosperity and increasing influence on international trade and commerce. It is a success mirrored by the benefits of similar ventures in other developing nations.

All over the world, Blue Circle is able to supply management skills and technology. In partnership with local interests, these investments help speed both progress and prosperity.

In Indonesia, for example, abundant oil and gas supplies are giving rise to industrial development which has merited

one of the more ambitious projects in the country for many years. As well as a new cement works. Blue Circle is helping develop a harbour, power station, housing and other amenities. And there are similar achievements in Brazil, Kenya, Mexico, Nigeria and Zimbabwe.

This overseas activity doesn't mean that Blue Circle has neglected its

commitment to Britain. On the contrary. Blue Circle is planning a major capital investment programme over the

programme over the next five years, to improve the output and efficiency of existing cement operations, and investing in a complete new works.

This is just a part of the Blue Circle story. So, if you had no idea just how big Blue Circle is around the world but would like to find out, write to the Group Managing Director, John Milne, at: Blue Circle Industries, Portland House, Stag Place, London, SW1E 5BJ.



THE VILLAGER: YAP KEE YONG

Happy but short of facilities

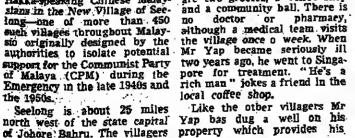
strapped to his rubber trees, the families in Seelong, like Mr. This task, the first of his working day, will go on until be-tween 9 am and 11 am, unless are also grown. it is raining, when he will not be able to work at all. On a good day be should be able to sell the latex he has collected to a licensed rubber deoler for be-tween M\$ 10 and M\$ 15, alaugh falling world prices are affecting his income. On the days he does not collect the later either because of the weather or if he is ill, he earns

Mr Yap is one of 1,200 largely Hakka speaking Chinese Malay-sians in the New Village of Secport for the Communist Party of Malaya (CPM) during the Emergency in the late 1940s and

Seelong is about 25 miles

In the afternoon Mr Yap will plough and cultivate the part of his land not given over to rubber. Although he does not grow enough produce to sell, his vegetables belp him and his family of six children towards self-sufficiency in food. Normally he will work a 10-

hour day and a seven-day week. There is little time for leisure and the village has few recre-ational facilities anyway. There are two grocers, a coffee shop rich man" jokes a friend in the



of Johore Bahru. The villagers property which provides



YAP KEE YONG. 41, gets up were allocated about seven only woter supply. Local at 3 in the morning to collect acres of land each on a renew streoms are used by the women the latex from the tiny cups able leose of 21 years. Most of to wash clothes. There is no regular power supply in See-long but two privately owned generators provide the village with electricity between 6 pm and 6 am at a cost of M\$ 14 per month per family, Moins elec-tricity, promised before last May's election, bas not yet been connected. There is no public transport to the nearest town. Kulai, several miles awoy, ond

no secondary school. Mr Yap joined the opposition Democratic Action (DAP) eight years ago and is now the treasurer of his local branch. The village is politic ally divided and the constituency of which it is part is held by o member of Gerakan, a component part of the rullne Notional Coalition. All political parties with strong Chinese interests, including the busioess-orientated MCA, agree that the M\$ 30m altocated under the Fourth Malaysia Plan to develop the new villages and improve the lives of their 2m inbabitants is grossly lnadequate.

Villagers like Mr Yap face additional problems in acquiring more land both for residential purposes to accommodate expanding populations and for cultivation to provide employ ment. They say that the Land Office in Kulai is slow to process their applications and usuolly turns them down. Their legol status as lessees of the land they were originally given is also uncertain, as many leases have not been renewed

Mr Yap says he does not particularly want to leave Seelong with its uncomplicated lifestyle compared to that of the cities. He and his friends in the village merely want to see better facilities provided, particularly housing and transport. The only thing that would make him move, perhaps to the state capital, would be the education of his children wbo will otherwise have to make the arduous iourney along the bumpy road to Kulai or Johore every day.

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Commodities

The decline in prices has bought financial implications for the entire economy. Hope lies in a regival of the world economy.

Once-buoyant sector falls on hard times

COMMODITY EXPORTS BY DESTINATION

1980

MALAYSIA'S ONCE buoyant commodity sector has fallen on hard times. The prolonged global recession has sharply contracted demand, leading to a severe drop in prices.

Many tin mines are closing down. Many rubber amall-bolders have stopped tapping their trees because it is no longer worthwhile.

The timber industry has been in the doldrums for several years, while palm oil growers, who have escaped the recession so far, are beginning to feel the

"There is nothing very much one can do hut bope for an early revival in the-world economy. That's the only thing that will lift prices," says a Malaysian plantation owner, reflecting the general view among the country's commodity producers

Since Malaysia is still largely a resource-based country, the decline in commodity prices is being felt throughout the есопоту.

An indication of the financial implications can be seen by how far projections of the Treasury have gone out of line with the actual situation—and Malay-sian Treasury estimates are by

Last October, when the 1982 budget was presented, the Treasury was forecasting that Government revenua in the form of export duties on rubber and tin would be Ringgit 800m and 330m respectively.

This was hased on an esti-mated average price of 295 cents per kilo for rubber and Ringgit 34.7 a kilo for tin, with rubber exports totalling 1.58m tonnes and tin exports 67,000 tonnes. But so far this year the rubber price bas been around the 200 cent mark and tin prices are well below the Ringgil 30

If such prices persist, throughout the year—and there are no signs to indicate they will move up—the Government will be getting less than Ringgit 800m.

Compared with two years ago the rubber price has fallen a good 41 per cent expressed in a stable Ringgil. For most of Malaysia's half-a-million rubber smallholders, many of whom work on land of less than five acres, it means a return to subsistence living, made tolerable Total exports (fob) only by Government subsidies and the influx of remiltances from their sons and daughters working In the cities. The situation is even bleaker

for the tin mining industry. Because there is a surplus nf the metal on the world market estimated at 60,000 tonnes the International Tin Council has imposed tough export control measures. The curback for the July to September quarter is 36 per cent and similarly severe curbs on exports are expected to run well through next year. The bigger and more efficient

tin dredging companies, often with large cash reserves, should be able to go through this rough period—but not the gravel pump mines.

These graves mines, largely operated by Chinese, account for 55 per cent of Malaysia's tin output. Last year 153 of them ceased operations because of poor prices and exhaustion of deposits. As many as 200 more may have to close this year, leaving 400 struggling. As many as 5,000 jobs are expected to be lost in the indus-

try this year. Malaysia's two smelters are also bit by the shortage of tin for smelling. One of them has laid off 150 workers and is nperating only three of its five

Mining costs have escalated. It will now cost more than Ringgit 500m to develop the giant Kuala Langat tinfields, more than double the estimates

Petroleum crude

Palm oil (crude and prncessed)

Sawlogs

Manufactures

Food, beverages and tobaccn

Manufactures

Petroleum crude

Machinery and transport equipment...

Balance of trade

worked out hy the Kumpulan Perangsang - Malaysia Mining Corporation consortium three

For the past decade Malaysia's tin industry has been on decline. Production steadily from a peak of 76,800 tonnes in 1972 to below 60,000 tonnes last year. Employment bas fallen from 50,000 to 35,000 over the same period.

Palm oil, the only bright spot in the commodity sector for the past year, bas recently suc-cumbed to the twin pressures of oversupply and recession. In the past two months the price has plunged 31 per cent to only \$50 Ringgit per tonne. Datuk Paul Leong, the har-

assed Minister of Primary In-dustries, attributes this sharp fall to generally greater availability of edible oil and fats, particularly from the U.S., and the prolonged recession.

The fall in palm oil prices is

MALAYSIA'S EXTERNAL TRADE

28.6

37.2

43.5

28,201

2,671

double blow to Malaysian plantations. Many were just breaking even on their rubber operations but had managed in report a decent profit in the past on the stength of stable

palm oil prices.

The palm oil refining industry is also in bad shape, being squeezed by over-capacity and low demand.

Eighteen of the 48 refineries have ceased operations, leaving 31 in the field. Even so, the 2.8m tonnes of crude produced is insufficient to feed these plants, which have a built-up capacity of 3.6m tonnes.

Unlike rubber and tin how-ever, whose production is either stagnant or declining. Malayma's output of palm oil will continue to grow at a rapid

By 1985 the country is expected to turn out 4m tonnes of palm oil; by 1990 the volume is expected to reach 8m tonnes. So far, the world has taken duce but future output will require more aggressive market-

India, the EEC, the U.S. and Japan are the big markets, while China, the Soviet Union and South Korea are fast be-

The healthy volume to Iraq has been reduced to a trickle by the war with Iran but the Middle East as a whole promises to be a major market. It also encouraging that Egypt has recently become a serious buyer.

Taking the longer view, there is every cause for optimism for Malaysia's comodities, argues Tan Sri B. C. Sekhar, Conirol-ler of Rubber Research and chairman of the Palm Oil Research Institute. Although suffering at present, Malaysia's plantations, land schemes and tin mines are still well managed and extremely competitive.

Tan Sri Sekhar has seen the ups and downs in the commodity cycle and he would be not the least surprised to see prices of rubber, tin and palm oil breaking record levels once the global recovery is under-

\$m % growth

0.4

-10.3

14.5

-11.3

7.0

18.1

12.5

6.7

19.0

28,018 - 0.7

6,738

2,248

2,880

2,325

6,600

27,804

3,005

2,005

10,803

214

Wong Sulong

31.248

7,175

2,326

3,438

2,499

7,780

32,142

3,451

6,648

2,100

12,641

-894

6.5

3,5

19.4

15.6

14.8

4.7

Bank Bumiputra maintains amazing growth rate

Condensed Statement Of Conditions **December 31, 1981**

• •	1981 MS'000	1980 MS'000	W2.000	,
ASSETS	•			
Cash in banks, money at call and short notice	·: 3,219,878	3,205,506	2.266,861	
Loans and Advances	6,338.971	3,855,411	2,257,590	
Bills receivable	325,466	429,533	165,672	
Treasury Bills and Government Securities	1,794,549	968,226	952.627	
Other Investments at cost	198,227	93.035	92,099	
Land, building and other assets	1,371,343	970,293	353,770	
Total	<u>. 13.2</u> 48,434	9,522,004 .	- 6,088,619	
CAPITAL AND LIABILITIES	••			
Authorised capital	\$00,000	S00.000	200,000	
Issued and paid-up capital	476,000	272,000	100,000	
Reserves and balanca of unappropriated profit	104,783	,34.193	\$8,879	
Deposits (demand, savings, lixed, etc)	8,165.037	6,673.313	4,990,17S	
Deposits and balances of agents and banks	4,037,449	1,892,730	619,801	
Bills payable and other liabilities	465,165	599,768	319,764	
Total	13,248,434	9,522,004	6,088,619	
Liabilities on acceptances and guarantees	5,129,903	2,488.730	1,486,175	
Balance sheet total	18,378,337	12,010,734	7,574,794	
		'		

Berhad. Ist Floor, Wing On Life LOS ANGELES Bank Bumpulra Ma Bernad Suite 5215, 707, Wisshire Boute Los Angeles, California 90017, USA Tel. (213) 627-4711

Gentre, 167F, Tower One, Ouestoners Board

JAKARTA

بيغك بومسفترا ملي BANK BUMIPUTRA MALAYSIA BERHAD

Menara Bumipulta

EXPORT FROM SABAH THROUGH SAMA

SABAH MARKETING CORPORATION SDN. BHD. (SAMA) a Pty. Ltd. company wholly owned by the State Covernment of Sabah, Mataysia was established in 1978 as the Government's marketing arm for Sabah Agricultural Produce. SAMA is the selling agent for exporting marketing of produce from State Government Departments/Agencies like Agriculture Department, Sabsii Land Development Board, Sabah Ruhber Fund Board, etc. SAMA also trades with the private sectors in Sabah as well as in Sarawak. SAMA's sales turnover reached M\$143 million in 1982 with a paid-up capital

Through SAMA, international commodities buyers have a reliable marketing institution in Sahab whom they can place bids and orders with confidence. SAMA as a Government-backed commercial organisation and as 'a reputable exporter, will not renege on its contract. As SAMA is actively promoting Sabah's produce, it exports and guarantees good quality produce.

The commodities promoted and marketed by SAMA are shown below:---

(1) Cocoa

SAMA expects to export about 5,400 tons of dry cocoa beans in 1982 or about 20% of the Slate's export. The average bean count is 100 heans/100 grain maximum. Moisture is 7.5% maximum on shipment. Other terms as per Cootract CAL (Cocos Association London) Foriu A4.

(2) Crude Palm Oil

Occasionally, SAMA can sell a minimum of 1.000 MT basis CIF Rdm/Msy on FOSFA (Federation of Oils, Seeds and Fats Associations Ltd.) 80 Contract. SAMA also sells PKO basis CIF European based ports on



(3) Rubber (SMR)

SAMA exports about 6,000 tons of SMR 5 and about 1,500 tons of SMR 20 per year. SAMA refer to the MRE (Malaysian Rubber Exchange) official quote as reference point. SAMA can also trade at the London market by giving overnight offer. Payment 21 days CAD Bills of Lsding. Through Bill of Lading from Sabah to European ports can be arranged.

(4) Sawn Timber

SAMA is exporting red seraya (Meranti), kapur/keruing scantling to Europe/UK. SAMA leads in the promotion of a superior hardwood locally called "Selangan Batu" which is in abundant supply in Sabah. This specie is highly recommended for use in construction of wharves, bridges, telegraph posts, railway sleepers and truck flooring,

Rattan processing is undertaken hy Sabab Rattan Pty. Ltd. which operates on a joint venture hasis between a private concern and a Government Statutory Authority. High quality rattan household goods and furniture

Sabah Tes Sdn. Bhd. is plaoting 4,000 acres at Nelapak, Ranau. So far about 500 acres have been planted with 80 acres already matured and in production. Tea is now supplied locally to meet local requirement. In 1983, tea is expected to be exported.

(7) Coffee

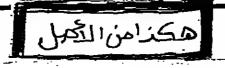
Robusta and Liberica coffee are widely grown. Total acreage planted to date is over 5,000 acres with an estimated bean yield of 500 MT

All trade enquiries should be channelled to SAMA.



SABAH MARKETING CORPORATION SDN. BHD.

9TH FLOOR, BERJAYA HEADQUARTERS BUILDING, KOTA KINABALU, P.O. BOX 1501, KOTA KINABALU, SABAH, MALAYSIA TEL: 58211, 57298, 58150, 58151, 55152, 55153, 58154, TLXS: MA 80234/80235 SAMAKK, CABLE: SAMCO.



Strong lobby for independence from international pacts

MALAYSIA, a major world commodity producer, is disen-chanted with international commodity agreements.

The Prime Minister, Dr that he feels these pacts are inequitable in that they serve the purpose of the consuming countries in times of short supply but fail to protect adequately the interests of producers when prices are low.

There is now a strong lobby

in Malaysia for commodity producers to strike out on their own. This is a complete re-versal of the Malaysian com-modity policy hammered out eight years ago when Datuk Musa Hitam was Primary Industries Minister.

Malaysia accounts for 35 per cent of the world's exports of rubber, 50 per cent of palm oil, 30 per cent of tin, 35 per cent of tropical hardwoods and 30 per cent of pepper. In addition it ranks sixth in reserves of

Thus io relation to its area and population Malaysia commands a disproportionately large influence in international commodity affairs.

There is one central aim in Malaysian commodity policy, past and present: stable and remunerative prices. Memories nf the "rubber shock" of December 1974 still send a chill through Malaysia's leaders.
On that occasion low prices

and continuous rain which prevented work forced thousands of desperate farmers on the streets in Kedah State and sparked off massive—and for the first time non-racial student demonstrations. Anwar Ihrahim, now a rising star in government, was leading students to agitate for swift Government relief. The aftermath was the Gov-

modity prices do not fluctuate violently. Malaysia went ahead to play a higger role in inter-national commodity negotiations. It supported commodily pscts and even approached Japan for a "Stabex Scheme"

(stabilisation of export earnings) for the ASEAN countries. The reversal of this policy of producer-consumer co-operation can be traced to three factors: actions by the Reagan Administration in pursuit of its economic philosophy which did enormous barm in undermining the confidence of producers;

which bas severely depressed prices; and the combative style of Dr Mahathir. battleground. There is no range doubt that both the U.S. and Dr

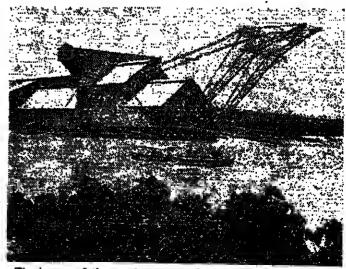
prolonged global recession

erument's decision that the best Malaysia had broken the articles of the International Tininsurance against future rural revolts was to ensure that com-Agreement, if not in action then in spirit Frustration over continual U.S. disposal of surplus stock-

pile tin and its persistent refusal of repeated demands for a revision in ITC prices to accommodate production costs led Malaysia to support the mysterious buyer on London Metal Exchange.

The story is well known. Suffice it to say that the episode left the Malaysians deeply disenchanted with the rules of the game. This sense of burt was reinforced when the consuming nations, again led by the U.S. took advantage of a technicality in the International Natural Rubber Agreement to force a 1 per The tin market provided the cent cut in the rubber price

Dr Mahathir is not a man to



Tin is one of the markets where Malaysia is battling for a better deal for producers. Dredging—as pictured above at the Perangsang Rio Tinto lease at Labohan Dagang—is the main local method of are extraction.

the accept without a fight what be al Tin perceived to he injustices action inflicted on developing countries by the rich nations in the protection of their interests.

Although Malaysia is still a member of the sixth lnier-national Tin Agreement and the Rubher Agreement, it has made it clear that it reserves the right and will act to protect its interests if these multi-national agreements are slow in responding to producers' needs.

Malaysia feels producers should band together to protect themselves. It is lobbying hard to win Indonesian and Thai support to give more teeth to the Association of Natural Rubber Producing Countries (ANRPC) and the proposed Tin Producers Association.

In theory, the coming together of Malaysia. Indonesia and Thailand, politically like-minded neighbours, could he a formidable force in the market since they control 80 per cent of rubber exports and 70 per

The problem is that while the Indonesians and Thais are equally interested in stable and remunerative prices for their commodities they do not feel that a direct confrontation with consumers is the best way.

The Indonesians in particular bave always felt piqued at having to play second fiddle to Malaysia on commodity issues when in many other respects they consider themselves to be the "big brother,"

Both Indonesia and Thailand want to diversify their export base. Rubber and tin 5t into their programme and they do not want to enter into any longterm commitments that would curb their expansion plans for these commodities.

Wong Sulong

Resource wealth allows scope for qualified autonomy

MALAYSIA'S two eastern states ment funds, mobilise or frus- 12 years of running the state on the timber industry. In two states that the 5 per cent of Sabah and Sarawak, critically trate election machines, soothe almost es a personal fieldom the 1976 unsawn logs eccounted for royalty they get on oil exports important to the federation because of their oil, gas and tim-ber wealth, are at the same time the country's renegade states.

Separated from peninsular Malaysia by 1,000 miles of sea and populated by people radic-ally and culturally distinct from the Moslem Malays of the peninsular, they have repeatedly taken pains since joining the federation in 1963 to demonstrate their separateness.

Exploiting the independence that comes from oil and timber earnings and inflaming local fears of federal interference whenever it was appropriate, the state governments have won for themselves an exceptional degree of autonomy to manage affairs in their own distinctive and sometimes cavalier style.

At the same time federal

power needs to be carefully courted. Kuala Lumpur can Harris's predecessor. Tun dispense or withbold develop- Mustapha, was overthrown after Kuala Lumpur can Harris's

or stir up factional conflict in the states - and so can never

he taken for granted. The result is that politics and economic management in a state like Sabah are almost inevitably larger than life. Elections are waged with unparalleled ferocity. No political vitriol is spared in a contest where stakes are exceptionally high. Victory means access to very large resources which can be used for patronage. To dispense rewards

for loyalty is seen as no sin. Datuk Harris Saleb, since sweeping to power at the head of the breakaway Berjaya party in 1976, has run the administration in a manner more suited to an autocratic managing director than to a democratically elected

Chief Minister. But the stata has seen benefits from this.

coffers were empty. State funds have since been built up to more than M\$1.4hn. The fruits of suband no-where more so than in Datuk Harris's home town of

. Associated gas soon to be plped onshore at Labuan from the oil fields of Erbwest and Samarang will by the middle of the decade be fuelling a M\$466m sponge iron plant and a M\$740m methanol plant and power station. A strong bid is being made for federal approval for a M\$1.2bn pulp and paper mill, though recent cuts in federal development spending may lead to this pro-

ject being shelved. Such developments, along with the rise of oil earnings When Datuk and a broadening of the state's lecessor. Tun agricultural base, bave curbed Sabah's dangerous dependence

stantial development spending year timber products accommare evident across the state—ted for barely 30 per cent of export earnings which had

Sarawak, Malaysia's largest state, has in the past been bypassed by Malaysia's rapid economic growth, even though earnings from offshore oil and gas have been substantial. Its soil is less fertile than Sabah's, its jungles more impenetrable. As a result over 60 per cent of the state's Im population still live in poverty.

Despite formidable problems linked with laying down an infrastructure of roads, water and electricity and despite a continuing shortage of skilled labour, changes are taking place which could alter the face of northern Borneo.

At. Bintulu oil and gas reserves are to be tapped to reserves are to be tapped to establish an LNG plant, a crude oil terminal, an urea and ammonia plant and a palm oil bulking station. A deep-water port is to be fluished at nearby Tanjung Kidurong by early next year. The total development, costing about USS4bn, is likely to be the largest development ever in South-East Asia. ment ever in South-East Asia.

Bintulu, eventually to be linked to the rest of the state by the pan-Sarawak highway and the focus for numerous smaller manufacturing ven-tures, is likely to be the cata-lyst that sweeps the state from the Stona Age into the Space Age—though there are many who justly fear such a sudden and drastic change.

With such great untapped potential Sabah and Sarawak are being kept on a short leash by the federal government lest they throw off the federation and try to so it alone. Com-plaints are often made in the

over 50 per cent of the state's is a pittance and is in no way M\$2.2bn export earnings. Last made up for by federal year timber products accounted to hereby 30 nor control. Lumpur obviously sees things in a different light, wanting to use oil revenues for federation and limiting the royalty to ensure contrived edministration.

Present relations between the eastern states and the centre are awkward. In April's federa elections Datuk Harris fielded "independent" candidates in Sabah against federal govern ment-hacked candidates in ar attempt to maintain a monopoly of power. The "independent" victories were a direct soub to Dr Mahathir, and there has since been a steady stream of rumours that the federal government was manoguring to remove Datuk Harris from

victories for the opposition DAP in April underlined increasing restiveness among the state's Chinese population.

Federal governments have in the past resisted the temptation to force the eastern states into the fold. This is in part because of a fear of the possible conse-quences and in part because the people of Sabab and Sarawak remain for many an enigma, a bome for pirates, bead-hunters and animists. Rapid develop-ment is likely to attract increasing attention but enigma they will remain for some years to come.



Above: The financial district of the capital Kuala Lumpur. Below: The Rasa Sayang Hotel at Batu Ferringhi typifies the Government's desire to encourage the tourist.



Banking

Two more expatriate banks are about to begin the process of Malaysianisation

Further moves towards equity surrender

IN ANOTHER six months or so Malayan the two largest foreign banks (UMBC). and Hongkong Shanghai Bank is Malaysia's oldest bank. HSBC (HSBC)—are due to announce celebrates its centenary two details of plans to Maleysianise. The events are significant, are not saying much about their Banking anywhere is a strategic negotiations with the authoribusiness.

Chartered, part of the Standard and Chartered group of the UK, and HSBC would set into motion the equity restructuring in foreign banks that bad been undertaken in the 1970s and is now largely completed in the mining and plantation

Malaysianisation of foreign banks is not new. The law prohibits banks in Malaysia from being controlled by a foreign government and quite a few banks bad restructured

under this rule. The latest is Banque Indosuez. which had been nationalised by Government in France. It has

ence

years from now. The two banks ties, apart from confirming

"good progress" so far. This is understandable. Apart from the scale and legal complexity there are many Bumi-pntra institutions and individuals vying to be local partners. "Selecting the right Bumiputra partner is extremely important. It makes the difference between plain sailing and endless headaches," comments a corporate · planner.

The outline of the restructur-ing is known: the Malaysian operations of the two banks will under locally incorporated publicly listed companies.

Initially probably no more President Mitterrand's Socialist than 20 per cent of the equity
Government in France. It has would be sold to Malaysians. But

Banking Corp. more favourable capital to

On the local

Appointments of new execumen considered to be sympa Finance Minister.

Operationally, the industry is expected to see a slower growth rate than in the past five years, in line with the slowdown in

bank lending rates are inching up. The banks say their lending rates have to go up hecause of tight money conditions and the fact that they have to cover for large portions of their loans made to the "priority sectors" at only 10 per cent interest— although one suspects there is also a strong element of profit maximisation.

There was a recovery in the last quarter of the year hut prices began slid-ing again at the start of 1982 as the prolonged global reces-sion began to hite harder into the local economy.

see any improvement until the .636bn units valued at ringgit

8.059bn for all of 1931. Market capitalisation of the

Congratulations

local manufacture and the activities of our locally managed companies, ICI is proud to be associated with the development of Malaysia and the needs of Malaysians.

Finance Minister Tengku Razaleigh.

incorporated a local entity, talled the Malaysian French Bank, to take over its two branches and will seil off 70 per cent of the stake to Malaysians, retaining only 30 per cent.

In the seventies three Indian banks and one Pakistani bank in Maleysia were reorganised to form the United Asian Bank and Perwira Habib Bank respectively when nationalised hy their own government.

The significance of the Chartered and HSBC restructuring lies in the scale of the exercise and its impact on other foreign banks which have not as yet complied with the new economic policy.

Both Chartered and HSBC are among the biggest banks in Malaysia. At the end of last Fear Chartered, with 35 branches in Malaysia, had assets totalling Ringgit 4.3bn and reported a net profit after tax

of Ringgit 26.8m HSBC, with 36 branches, had assets exceeding Ringgit 4.5bn and a net profit of Ringgit 39.8m at the end of 1981.

probably occupy third and fifth place, after the locally incor-

hy 1990 the foreign hanks have to reduce their own stakes to 30 per cent

Originally the banks had argued for majority control over their Malaysian operations because on a sectoral basis the objective of the New Economic Policy had already been achieved. But the Government was insistent that foreign equity in any Malaysien bank should

not exceed 30 per cent. With Chartered and HSBC restructured the pressure will be on the 14 other foreign banks. Some feel, however, that those with only one or two around 360, the lowest in 21 branches will be left alone. vears Most and around 250. The Government is only interested in the big fish," says

one American banker. The "big fish;" apart from Chartered and HSBC, are the Singapore banks led by Over-sea Chinese Banking Corp. with 35 branches, Chung Khiaw (16) and Overseas Union Bank

A foreign bank which is deemed to have compled with the new economic policy, will enjoy the benefits accorded to In asset terms they would local banks. They will not be probably occupy third and fifth barred from opening new branches, after the locally incorporated Bank Bumiputra, deposits from Government and Banking and United statutory bodies and enjoy a

the past year has been charac terised by the change-over in top management reflecting the fortunes on the political scene.

tive chairmen were made at Bank Bumiputra, Malayan Bank-ing and UMBC. These changes were at the direction of Dr Mahathir, the Prime Minister who wants to clear the decks of thetic to Tengku Razaleigh, the

the economy.

Liquidity will continue to remain tight, reflecting the reduced earnings from Malaysia's exports.

The past months saw the easing of deposit rates but

The prime rate is still pegged, largely at the insistence of the central bank, at 8.5 per cent, although no one now qualifies for the prime. Even the most desirable clients pay 11 to 12 per cent, while the usual rate is 13 to 15 per cent.

The Malaysian stock market is in for a depressed year after four years of steady expansion which climaxed in a record boom in the first balf of last year. The Kuala Lumpur Stock Exchange (RLSE) industrial index reached an all-tima high of 823 points at the end of June 1981 but the subsequent fall was swift and traumatic.

In the two months July-August the bottom fell out of the market and panic selling and sbort-sellers forced the KLSE index down by more than

350 points.

end of the year or even longer. For the first six months of this year a total of 419m units, velued at ringgit 1.5bn were traded on the KISE compared with 1.017bn units value at ringgit 5.124bn during the corresponding period last year and

252 securities traded on the exchange at the end of June this year was ringgit 49.16n compared with ringgit 65.3bn at the same time last year.

Offshore fields linked to ambitious development plans

Oil and gas revenues prop economy

reserves are not large enough to provide a panacca for the country's economic ills but at a time of deepening world recession they are allowing the Government to apply a gentle brake rather than hring development spending to an emergency stop.

Over the past six months the state oil company Petronas has responded to Government pressure to hoost oil earnings by raising from an average barrels-a-day last year to a target for 1982 of 290,000 b/d. As it is not a member of Opee it has been free to raise output—unlike neighbouring indonesia.

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But Mr Rastam Hadi, managing director of Petronas, has made it clear that oil and gas should not be seen as a for government financial problems: "There is a very strong case for ground. But at the same time governments need money and it is not much use keeping the oil in the ground when people are starving or living in poverty. Therefore we are following Buddha's golden middle path."

Source: Oil and Gas Journal.

Malaysia has the world's 22nd largest oil reserves. estimated at 2.3hn harrels. and the world's 12th largest gas reserves, about 30 trillion on metres. It has about 50 fields, eight of them major. They lie offshore the two eastern states of Sabah and Sarawak and offshore the

Trenggann.

Earnings from oil exports have risen from M\$852m in 1975 to M\$6.9bn last year. accounting for almost 27 per cent of all export carnings. When LNG comes on stream in January next year an additional M\$1hn will he added to exports, with gas export earnings planned to quadruple over the next four

The three oil companies most active in Malaysian waters—Shell. Esso and Petronas Carigali — have steadly increased spending on exploration and development drilling. Petronas alone has raised spending from M\$279m in 1979 to M\$564m last year and it is likely to remain at this level over the coming four years, with an average of two new contract

MALAYSIAN OFFSHORE OIL PRODUCTION

4,300 6,700 6,000

Name of field,

discovery date

Tembungo, 1971 ...

Baram, 1963 Baronia, 1967

Fairley-Baram, 1963 West Lutong. 1966

Temaoa, 1972

South Furious, 1974

Total Malaysia...

Tapis, 1975

Baram, 1963

Miri, 1911

Tukau. 1966

ESSO MALAYSIA Bekok, 1976

SABAH SHELL Semarang, 1972 ..

SARAWAK SHELL BERHAD Bakau, 1971

areas being opened up every

Malaysia's reserves difficult to comparatively raise. They are in deep water, up to 150 metres offsbore. and in a salami of sedi-mentary deposits which deposits mentary makes reservoirs small and easy to miss. Fields rarely last more than seven to 10

At the same time, the quality of Malaysian crude is high—between 41-44 API. and with a sulphur content of less than 0.1 per cent. This means Malaysia can still charge a substantial premium over other oils. At the peak ln mid-1980 oil was fetebing U.S.\$41 a harrel. Miri Marker crude now caros U.S.\$35.60 a harrel, with hiends ranging from U.S.\$35.10 to U.S.\$37.30.

By eomparison with other arts of Asia. Malaysia's waters have been fairly thoroughly explored so the chances of major new finds are small. Nevertheless, the likelihood of modest new discoveries is thought to be high.

So Malaysia's days as a net exporter of oil are elearly sumption enrrently stands at

Cumulative

16,200,000

33,900,000 67,300,000

15,500.000

5,900,000

99,800,000

19,200,000

96.900,000

4,500,000

123,800,000

710,000,000

2,100,000

gravity

43.3 43.3 37.6

39.0

40.5 42.0 38.0 40.0 39.5 27.0

Barrels per

25,000

69,800

1,200 13,300

268,000

3,100

day average, bhl, to first-half 1931 July 1 1981

180,000 h/d and is growing at about 9 per cent a year. Rastam Hadi predicts that the eountry will be a net importer in the early 1990s, with gas reserves providing an extra three or four years of leeway.

It is from this perspective Petronas' articulate managing director sees the current world gint of oil as temporary phenomenon.

are only certain reserves in the world and consumption continues to grow. I see scareity coming up. Mayhe this does not apply over the next three years but in the longer term shortages are inevitable. There is a back-ground of general scarcity."

While Malaysia's oil and gas reserves last they are likely to play a critical role in the country's development. Gas coming onshore in Bin-tulu in Sarawak is to be the feedstock for a range of amhillous new development projects. The LNG plant will in due course provide Japan with 6m tonnes of LNG 2 year, 20 per cent of all its gas needs. A erude oil terminal and a urea/ammonia plant are heing huilt, along with palm

The Bintulu Development Anthority also has plans for an aluminium smelter, an Iron ore reduction plant and a steel furnace, though recent cuts in Malaysia's federal development spending plans are likely to mean these projects being put on ice for a while.

Further along the Borneo coast in Labnan in Sabah associated gas helng piped on Erhwest fields is to be used for a sponge iron plant, a methanol plant and a host of smaller developments.

Gas coming onshore in Trengganu is likely to be for domestie use, making gas the main fuel for Malaysia's industrialisation plans in the

IOINT DEVELOPMENT AREA

Wedded to industrial projects despite adverse times

MALAYSIA is launching into the most ambitious phase of its industrialisation programmedevelopment of heavy industries at an inauspicious time.

Recession bas thrown up a worldwide surplus of capacity steel, ship-building, oil and manufacturing. Within Malaysla it has led to a contraction in demand and a queeze on reveoues, forcing big cutbacks in public spending.

Many foreign industrialists argue that apart from the bad timing the Malaysian market of 13m people is too small to support a heavy industrial sector. Despite these obstacles the Malaysian Government remains

ngularly undaunted. Mr Rastam Hadi, managing director of Petronas, the national oll corporation, perhaps best summed up Government's attitude when be "Suppose there is a surplus of restaurants. Whuld a person building his own bouse

leave out the kitchen? the near tries Corporation of Malaysia (HICOM), concedes the Malay-sian market is small but is confident that even so it ean support the projects his newly formed corporation is under-

HICOM and Petronas-both agencies - are spearheading the beavy industry programme, with the latter taking charge of oil and gasrelated projects such as the Bintulu liquid natural gas field. the urea- factory and oil refineries and the former the non-oil industries.

Over in the East Malaysian state of Sabah the state energy group is also building a \$400m sponge iron plant, a gas-ing ste processing facility and a metha- Kalong.

has been committed to these

The ereation of a beavyindustrial sector is something close to Prime Minister Dr Mahathir's heart but It would be wrong to assume it is based on sentimental reasons.

Malaysia has very large reserves of natural gas and instead of merely exporting it to Japan, as is the case of the Bintulu LNG plant, or flaring it off in the course of lifting oil the Government wants to establish a range of industries usiog the gas as fuel or feedstock.

rently being built by a Japanese consortium, is an illustration of how the Government intends go about its beavy industrial

Sited at Telok Kalong In the east coast state of Trengganu, the plant will use gas under the direct reduction method to Tan Sri Jamil Jan, executive billets to supply the steel mills bars and rods for the building

> The eight-member consortium, led by Nippon Steel, is taking a 30 per cent equity participation and has also lined up the necessary finance with Japanese Institutions on attrac-

As far as possible HICOM would want all its projects to be similarly packaged. The direct equity participation of the project contractor serves as an insurance.

A letter of intent had also been signed with another Nippon Steel is involved, for a \$250m 600,000-tonnes cold rolling steel mill, also at Telok

capacity exceeds local demand. because for the past three years demand for cold steel has been

Tan Sri Jamil says some stage, perhaps by 1990, HICOM would have to consider putting up a bot rolling steel mill as well (to supply steel for the cold rolling mill) but such a venture would have to have a capacity of 3m tonnes be profitable.

What we are doing is backward integration. We have the demand for end-products of steel and we are working backwards to produce the raw material."

The other HICOM venture being implemented with Japanese and Singapore partners is the \$200m 1.2m-tonne cement plant at Langkawi Island in the north.

It should come on stream in There are plans to double its capacity eventually and to set up a 600,000-tonne clinker grinding plant in the southern state of Jobore.

present. distance, Jobore imports much as 400,000 tonnes nf cement across the causeway from Singapore.

HICOM projects in the pipeline include a motor cycle engine plant (three Japanese groups are bidding to build it) an engineering complex, while a pulp and paper factory and car manufacture are being actively studied for possible implementation in the mid-

Several foreign aluminium are also keen to relocate their smelters

HICOM is re-examining the Sarawak—although the Malay-project. It does not want to sian authorities are in two be caught with a plant whose minds whether to allow them to exploit the tremendous hydro-power potential of Sarawak's rivers for cheap energy.

Malaysia's manufacturing sector has grown rapidly since for 21 per cent of Gross Domestic Product The Governimport substitution policy of the 1960s and its labour-intensive tated policy of the 1970s has been highly successful

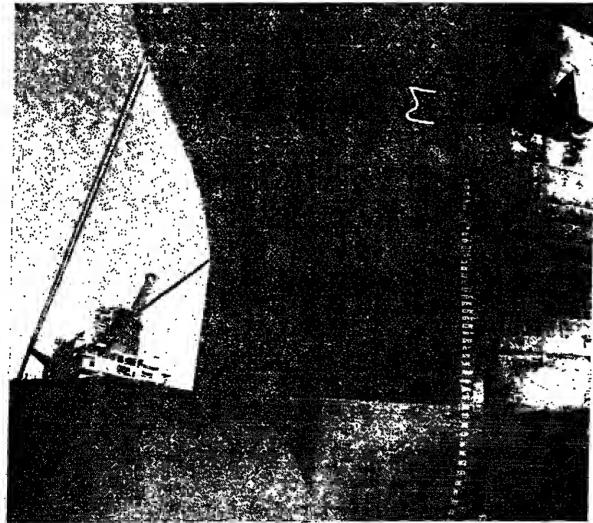
The policy of the 1980s is to encourage greater agro-based processing and higher value goods instead of the sensitive textile and electronic assembly factories which employ tens of thousands of workers at wages as low as \$2.5 a day.

Manufacturing has not been spared by the recession. Output declined by 1.8 per cent during the first quarter of 1982. compared with 6 per cent growth in 1981 and 12 per cent growth annually during the

goods fell sharply by 23 per cent between January and ringgit, with textiles and semifinished electrical goods the bardest hit.

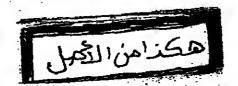
Taiping Textiles, one of the biggest and most modern com-panies with 2.300 workers, is working 24 hours a day, seven days a week and yet is only breaking even. virtually every Malaysian textile company is diversifying into other areas of activity. particularly property develop-

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Trade finance leaders in Southeast Asia.

Malaysia's efforts to achieve self-sufficiency in cement have taken a major step forward with the commissioning of this 1.2m tonnes per year works at Rawang. The new kiln cost its owners—Associated Pan Malaysia Cement (an associate of the UK group Bine Circle Industries)—a total of £40m and look two years to complete. Oil-fired, it is claimed to be among the most fuel-efficient plants of its kind in South-East



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Cable: SABDEVBANK Telex: SABANK MA 80214 SABANK MA 80349 Telephone: 58522, 56673, 58534 THE FAILURE OF CURRENCY FLOATING

The speculators are missing

By David T. King

THE ONLY thing that is perfectly clear about today's volatile and uncertain exchange markets is that we have been here before. But really, where that exchange rate we are going should be almost as obvious: the exchange rate extremes of 1973, 1976 and 1979 were all soon followed by major movements of the dollar in the other direction.

went so far that it set in motion underlying current account adjustments which, in turn, seen as costly and even eventually caused a further massive exchange rate reversal. The regularity and economic consistency of these broad swings-in short, their predict- movements in a free float ability — expose the key and continuing problem of the floaring exchange system: the speculation." " stabilising

the most important cause of in forecasting currency major dollar movements during changes. It is not difficult to identify

There bave been three major floating began, coinciding with three clear trends in the U.S. current account. The dollar has steadily depreciated during periods of current account deficit, when the accumulated cur-

The problem is that the mar-kets carry the exchange rate able counter-positions as real movement well beyond what is required for the correction of levels necessary to correct trade such a current account im- imbalances. In other words, balance. Thus, in a period after stabilising medium-term specuthe real exchange rate has lation, hased on established moved enough to eliminate a fundamental economic relationcurrent account imbalance but ships, would become common. before the current account has and the extremes of exchange had time to adjust, the exchange rate fluctuation would be submarkets continue to position stantially dampeoed.
themselves on the basis of observed though inevitably transia decade of trial and e tory, current account information. By the time the current account actually turns, the real exchange rate is so far underor over-valued that a massive current account reversal is unavoidable and the cycle storts

It is generally agreed flexibility is necessary and desirable. But the big swings in exchange Each of these sea changes rates, typical of the floating system, are widely destabilising. More rational exchange rate confidence in established economic relationships

suggested, the "infancy of float-

As the child grew up, its experiences would teach it the reliable and powerful, if lagged, rent account declines, and per-sistently appreciated through exchange rates and current periods of current account sur-accounts. When the foreign exchange market came of age, exchange rates moved beyond

In fact, however, after nearly exposed foreign currency posi-

Perhaps the light of potential cash returns will encourage the maturation of floating. The most straightforward bet on the In an important study published in 1978,* Professor Patrick Minford of Liverpool University, a firm proponent of floating exchange rates, idenlified these dynamics in the British pound's exchange be haviour. They characterised, be

THE DOLLAR AND THE CURRENT ACCOUNT CUMULATED CURRENT ACCOUNT 115 BALANCE (index) 110 Dollar (s) '77 . '80 '81 '82

valuation of sterling, caused by third quarter of 1981, and well the Baldwin-Churchill admires situated for the fourth major tration's return to the gold standard in the late 1920s, brought the British economy to its knees within five years. The 10 per cent overvaluation of the dollar by 1970 resulted in the collapse of the Bretton Woods

If, from the 1973 start of

generalised floating, one bad adopted a basic rule of taking a cross-enrency counter-posi-tion following any 10 per cent movement of the dollar's real exchange rate, the profits would have been ecormons. As shown In the accompanying chart, one would have gone short in dollars in late 1975, just at the a decade of trial and error, floar-dollar Deutsche mark turning lng is still a child, afraid of point and only slightly below the dark in a medium term the dollar's nominal peak of late 1976. After a substantial gain, the position would bave been reversed, to long in dollars, in mid-1978, again ahead of the year bond in mid-1978, at an interest expenditures. This turning point but only moder-interest rate of about 6.5 per bood-based technique avoids ately, especially relative to the cent. Assuming annual loterest the modelary effects of

per cent. That percentage over- the spot dollar's peak io the situated for the fourth major reversal in dollar exchange rates which will come in the quarters ahead: One of the easiest ways for

the corporate and government sectors to take advantage of these opportunities is through cross-currency diversification of their normal medium-term bor-rowing requirements. The statistical evidence shows that the esponse of current account balances to real exchange rate changes is fully underway within three years. Thus, for example, the "10 per cent rule," triagering a short-dollar posi-tion in mid-1978, would have prompted U.S. corporations and the U.S. Government to finance domestic operations by borrow-ing at a three-year maturity in say, Deutsche Marks. A U.S. entity borrowing \$10m would bave issued a DM 20m, three-year bond in mid-1978, at an rate of about 9 per cent prevail-ing in mid-1978, the net cost of aervicing the debt would have been \$2.7m.

Even with current interest rate differentials, the size of the broad exchange rate movements typical of floating promises that dollar borrowing will at worst hreak even with Deutsche Mark borrowing over the next three years, more likely doing several percentage poiots better. Cer-tainly it is a dangerous illusion for U.S. corporate treasurers to look now at lower interest rates abroad as an opportunity for reducing borrowing costs by issuing longer-term dehl denominated in beavily nodervalued foreign currencies - as some uofortunate UK companies did in late 1980.

currency debt diversification to moderate extreme exchange rate swiogs while reduciog

relatively small proportion of its ongoing new debt.

Just as German corporate sector conversion of borrowed dollars has no monetary effect In Germany while supporting the DM rate, neither do government borrowings.

An efficiently operating floating exchange rate system is disciplined by internationally integrated financial markets. This was what the academic proponents of floating envisioned in promising fluidly stabilising speculation that would keep rates close to fundamental trends. In fact, bowever, finance was not really ready for floating, and capital markets are still not at all wellintegrated across currencies.

management is extremely rare, and all but a tiny proportion of medium-term investment is confined to the home currency. tion, typically take long-term cross-currency positions only as a last resort in an exchange rate defence package. This can, and should, change. Intelligent cross-currency figaocial posi-tions, since they are based on he prime mover in economic adjustment-real relative prices -carry low risk and are reli-

ahly profitable. Perhaps as the fourth major movement of the dollar emerges. coinciding with the fourth major reversal of the industrial countries' current account paltern, governments and corporations will come to recognise the opportunities offered by exchange rate movements for substantially reducing financing costs and achieving more optimally diversified debt portfolios. Stabilising speculation will hopefully become a more normal activity, and the floating exchange rate system will finally come into its own.

to the major dollar depreci-ations that preceded them and next time around It is the dollar's turn again for the short end of the stick.

end of the Suck.

Patnck Miniord, Substitution Effects, Speculation and Exchange Rale Stability (North-Holland, Amsterdam, 1978).

Or King is vice-president, international Finance Department, at Citibank in New York, and worked earlier at the Federal Reserve Bank at New York and the GECO in Paris.

Cross-currency ha bility Even governments, charged with macro-economic stabilisa

The alternative is disturbing: the two major inflation shocks the 1970s were not unrelated

Lombard

Stark arithmetic of productivity

By Max Wilkinson

a disturbing answer. If Britain a more optimistic average of same productivity as Italy, but output would take 10 years to catch remained at its present level, how many people would have been unemployed in August?

The answer is a matter of arithmetic hased on the National Institute of Economic and Social Research's latest estimate (for 1980) that Italian overall output per employee is about 10 per cent higher that in the UK. This means that with Italian productivity, the UK would need about 2m fewer workers to produce the same output and ioial unemployment would now

Most of Italy's superiority is in its manufacturing industry which is about 50 per cent more efficient than Britain's. If the comparison is made with a country such as Germany or the Netherlands which are more productive in most sectors of the ecocomy the results are even more startling.

With output unchanged and West Germany's overall productivity, UK unemployment would the 9m. If, on the same basis, the UK had the same soduc-tivity as the U.S., 12.5m people. These are, to be sure, only arithmetical iruths, and they do not take account of the 10 per cent improvement in UK manufacturing productivity which occurred last year, More-

over, the comparison with the U.S. should not be taken too seriously because of the huge economics of scale there. However, these comparisons do say quite a hit about the constraints on policy.

Look at the question another

way: it would clearly be un-realistic to expect UK productivity to rise by 35 per ceot to match West Germany's present performance without an accompanying increase in output.
If output grew at exactly the same rate as productivity (out-

put per person), the lotal number of jobs would remain the same. So the second question is: how many years of malched growth of output and productivity would be needed for Britaio to reach West Germany's present perform-

HERE IS a simple question with years. However, if we assume overall 3 per cent growth a year, it up with where Germany is now. Since France, Belgium, and the Netherlands have slightly bigber overall productivity than Germany il would take rather longer to catch up with them.

At the end of this 10-year spurt, Britain would still have its present level of unemploypopulation changes)-and it would still be 10 years behind its Continental competitors.

All this, it must be emphasised, is just arithmetic, but it shows very starkly what Sir Geoffrey Howe had in mind when he said last week that high unemployment would be with us for a long time and that the road to restored competitiveoess would be a slow one. Sir Geoffrey has said repeatedly that the key to reducing uncuiployment must

be improved competitivness, and that must come from higher productivity as well as more inoderate wage settlements. But the Government has been less anxious to emphasise the truism that it cannot deliver a sustained improvement in productivity without horrific un-employment unless it also has a strategy for rapid growth in real output for the medium

Perhaps the Government had no choice hut to focus its initial efforts on forcing duwn people's expectations for inflation; and one of the con-sequences of its tight pollutes does seem to have been the sharp rise in productivity lasl year. But, there is a strong argument that the focus must now change towards a major political effort 10 raise people's mbilions for growth.

It is hard to see how this could be achieved without more official discussion about how the Government might prime the pump and then help to keep growth going The data for the calculations

are as follows: UK employed for Britaio to reach West
Germany's present performance?
The answer clearly depends on the rate of growth. At the rate expected for this year—
1 per cent—it would take 33

Total productivity for 1980: 1UK=100) West
Germany 134-140, U.S. 160-200,
France and Netherlands 150,
Belgium 140 and Italy 110.

Letters to the Editor

Mrs Thatcher, Varley, and the grass roots

Sir,—Mrs Thatcher shouldn't be tempted to fall for Eric Variey's version of what the workers think of unemployment. He's as far from the grass roots as an absentee landlord and puts on the old record from force of babit every time new figures appear.

But the fact that he is out of touch with what is going on down below shouldn't stop ber putting her crew urgently to work on bringing her ahead of the Opposition in an understanding of the country's new mood.

Labour was thrown out at the last Election because their old supporters felt let down by their overall performance. Maggie's best chance of winning the next election is by seeing to it that voters don't develop that same squeeze her into softening her

sickened sense of her.

present plight on the Government. It is getting into countless working minds that you cannot have both a soft and a Not in industry secure job.

Just as they are rapidly realising that you cannot cry out for State protection of home industries and at the same time stuff your garage, wardrobes and house with foreign-made goods, they are slowly accepting that they have to be as ready to sell cheap as they have heen to buy. Some of Mrs Thatcher's arguments are bear-

fiscal policy isn't doing her all that much harm. Too many She has a lot going for her, that much harm. Too many Even in this Socialist Republic workers think they are being

of South Yorkshire there is not used as catspaws to improve in-the old readiness—in private—dustry's profitability rather to shovel all the blame for our than find them more jobs. Which makes them dubious of what's afoot. Of course, theoretically, eveo

people in work are scared stiff of coming out of work. But it's the old fear that we knew in the 1920s and 1930s. Living is still too good for that and they are readier to accept re-assurance that what can be done in being done. And it's putting herself ahead of the field in this battle for the people's minds that's going to keep her in

With Labour and the TUC in their present turmoil she's in with more than a good chance. But she must keep her ear close to the ground. She cao't afford

to blunder on the run home. 135, Ecclesfield Road,

Piece work and

Sir,-It would be interesting to know the authority on which Mr T. Finnegan (August 25) bases his claim that moving from piece-work to day rates

This dangerous fallacy must

For too loog much of British cluding the maintenance of high

If I correctly recall a famous the public at large, realises that British Institute of Management government of itself has no survey, the majority of British money, and only acquires It by managers would prefer to be taxation, then it surely must be gentlemen farmers. Perhaps of our present national prob

T. M. Barclay.

delivering letters

it a frustrating experience. Many buildings do not show a street number, and a significant proportion of corner buildings do not show the street name. Newly-constructed buildings are major offenders.

Can I prevail upoo your readers in the City to check whether their own building is an offender, and in which case to do something about it.

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ent 3cmad

Little movement on

discrimination

From Ms Rosemary Berry cannot legislate against discrimination. How true that is! I read with considerable interest the recent article on the trials currently in progress in Normandy on the "Smart" card in the development of electronic funds transfer. The article was most informative and reminded exists in so many fields of No magic wand technology.

Towards the end however, a simple observation slipped in. From Mr D. Pitts which illustrates the perceptions which are so common in our society about the roles which men and women typically play in a business environment, particularly a retail one. "In the morning the manager can 'open' the system with his card, the eashier can log on with hers."

I have been closely associated with both retail and banking industries in this country since before the introduction of legislation either on sex discrimination or equal pay and it saddens me that there has been so little movement over a

Sir,—It is often said that one I could see some real prospect annot legislate against dis of any real change in the situation. Rosemary J. Berry.

will be waved

Director Personnel.

Thomas Cook

UK Travel Operations,

P.O. Box 36, Thorpe Wood Peterborough.

Sir,-I view with complete dismay, the current media view of the Confederation of British Industry. I believe that that organisation is attempting to be economically realistic, as con-firmation of its membership

searches indicates.

It seems that Government has spent these past twelve months, at approximately three-monthly intervals, indulging in a public relations campaign, to tell the country, and the business world in particular, that things are saddens me that there has been so little movement over a decade or more to change the roles of men and women within it retail industry.

I feel able to say that my own company is far Jess chauvinistic than some but I know for a fact that within the retail industry per se, while the letter of the law is undoubtedly not really as had as they think and, in fact, they are getting progressively better. The hard fact of life is that the majority of those in the construction industry are having a pretty rough time, increases in cost are only acceptable through improved efficiency and performance. Many of us see little real increase in activity, inspite not really as bad as they think

observed with regard to equal opportunities and equal pay, there are still jobs which are very typically thought of as men's jobs and those which are reserved for women. I only wisb located see some real propagat

to cure our ills. The sooger clear that there are increasingly fewer of us who are attempting to generate wealth and pay taxes, while there are increasing numbers of those who have to be supported — the public sector and the unemployed.

Please will the Government attempt to reduce the revenue expenditure of this public sector to a level of efficiency com-paroble with present private industry (which has already been through its "trauma of change" these past two and a balf years) so that a realistic view may be taken of capital expenditure which, through national and local government. accounts for some 60 per cent the construction industry

Finally, let us get away from the "sides situation". Why shouldn't organisations like CBI talk to the Opposition, as well as Government, whoever is in power. All surely, it is trying to do, is to belp develop the economic base of the country, so that there may be a fairer balance between those who prodoce wealth and those

David Pitts and Holt. 413 Cutler Heights Lane,

day rates

From the Managing Director, Fine Tubes

must involve acceptance of a 20 per cent reduction in employee

not go unchallenged. Like so much else in life one gets what one deserves and this applies as much in management as in private life.

management has used piece-work as a crutch and an easy alternative to the prime responsibility of leadership. If managers will earn the trust of their employees by, among other things, consistent fair treat-ment and the regular provision of all the facts, they will find that nothing is impossible, in-

Rolls-Royce has got it right: if it fails it will not survive. It will succeed as many others bave done before. But it calls for dedication, long hours and hard work.

that is one of the main causes

Fine Tubes,

Frustrations of

Sir .- I bave recently been in volved io delivering envelopes for a charitable appeal to a large number of firms in the City of Loo don, and have found

J. R. Potts. Lloyds Chambers. 9-13, Crutched Friors,

1952 is of all cri Set of the contract of the con ior Si ent ent

THE HONGKONG **BANK GROUP**

announces that on and after

1st September 1982

the following annual rates will apply

Base Rate $10\frac{1}{2}\%$ (Previously 11%)

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The Hongkong and Shanghai **Banking Corporation** The British Bank of the Middle East

Mercantile Bank Limited Antony Gibbs & Sons, Ltd. Companies and Markets

UK COMPANY NEWS

Hanover Invs. at £30,000

Including interest received of £141,000 for the period, pre-tax profits of Hanover lovesiments (Holdings) amounted to £30,000 for the year ended February 28 1982, on turnover of £1.84m.

Figures for the previous year were £233,000 and £4.99m respecwere £233,000 aou £4.99m respec-tively, but these included tradiog profits of £286,000 aod turnover of £3.26m io respect of the lobacco and engineering busi-oesses which were disposed if or discontinued during that year —the company was formerly Sobranie (Holdings).

The leisure division suffered substantial loses to 1981-82—
these have been effectively
curtailed store the year cod—
which adversely affected the
steady progress made by the other trading divisions, directors

state.
The group's current trading positioo shows an improvement over the corresponding period last year, they add.

The dividend is maintained at 1.85p oet per 10p share with a same-again final payment of

There was a tax credit of £34,000 (£175,000 debit) and an extraordinary credit of £44,000 (£229,000).

ANGLIAN AND NW WATER

The Monopolies and Mergers Commissioo has been allowed more time to report oo its in vestigation into the sewerage functions of the Anglian and North West Water Authorities. The reporting period has been extended by one month to October 2.

Quest Automation results delayed

BY DOMINIC LAWSON

Aotomation. Quest roubled Computer-Aided Design (CAD) company, has delayed the noouncement of its full year figures for the year to Febru-

The figures had been expected n August, but according to mangiog director Mr Tooy Ebel there has been a delay in getting the full results from overseas subsidiaries. But it is just a question of dottion the i's and crossing the t's."

half losses

lo his annual statement.

was again missed.

vitch, chairman, tells members

As reported on August 9 this

timber importer and merchani reduced taxable losses from

£2.56m to £1.24m in the year to

March 31 1982 on higher turn-over of £39.59m, compared with

£37.81m. Losses per 25p share were given lower at 41.5p (£75.3pi and the final dividend

The chairman said then that

the present downward trend of interest rales should help to

restore husiness confidence, but in view of the experience of last

year the directors' optimism must be tempered with cautinn.

funds stood at £7.08m (£8.14m). Fixed assets were valued at

£7.2m (£7,39m) and net current assets came (o £4,97m (£3,75m).

During the year there was an

1.22m (£2.7m decrease).

Sharp rise

at Benford

Concrete

increase in working capital of

Current cost adjustments in-

creased the taxable losses to £1.47m (£3.18m) and the losses

per sbare to 49p (96pl. Meeting, Ralnham, Essex, September 23, 000n.

For the first half of 1982, Benford Concrete Machinery has

ifted pre-tax profits from £0.94m to £1.6 m. on turnover of £14.55m, compared with £10.53m.

The better result reflects the completion of two exceptional and uousually large export con-

After tax of £650,000 (£400,000)

net profils were ahead from £539,000 to £955,000. Earning

ner 10p share were 1.9p higher at 4.3p, while the Interim divi-dend is unchanged at 0.875p net

-last year's total payment was 3.025p nn taxable profits of £3m (£2.31m).

The following securities have

Spring

-IMI

been added to the Share Information Service:—

(Michae))

South Crofty (Mines: Tin): West Bromwich Sp

REDMAN BUY-OUT

tors and management feam.

Redman Hecnan International

The proposed acquisition, by

Hanson Trust of United Gas In-dustries is not to be referred to the Monopolies and Mergers

THE TRING HALL

USM INDEX

127.5 (-0.1)

Close of business 27/8/82

Tel: 01-638 1591

BASE DATE 10/11/80 100

LADBROKE INDEX

568-573 (-5)

has sold Swindnn-based Redman has sold Swindan-based Redman Engineering, the UK market leader in unitised punching and notching equipment, to a coo-sortium of the company's direc-

FT Share

Electricals)

(Eogineeriog).

NO PROBE

Information

Mr Ebel added that "UK sales on far this year have been twice the level achieved to the whole

On January 6 1982 Quest annewored a pre-tax loss of £1.46m for the six mooths to August 1981, and on the dey the shares fell 25 per ceot to 100p. A fortnight ago the shares, which have heen as high as 140p this year, fell to an all-time low of 20p. On Friday the shares added 3p in close at 30p, capitalising the company at £4.2m.

Phoenix Timber BOARD MEETINGS forecasts first

The following compenies have notified doles of board meetings to the Stock Eschango. Such meetings are usually held for the ourpose of considering dividends. Official indications are not evaleble as to whather the dividenda are intorims or finals and the subdivisions shown below are based mainly on last year's timetable. DESPITE A 7 per cent increase in first quarter sales the Phoenix Timber Group is unlikely to refurn to profitability to the curreot half year. Mr A. B. Gour-

Interime: Elys (Wimbledon), Lad-roks, Lambart Howerth, Mactarlene Clonsman), Nu-Swift Industries homes Robinsoo.

romal) (C. O.) ... Church ondon United Investments ...

Electronic Mach

SEET ahead in current year

Financial Times Tuesday August 31 1982

1.80

275

1,20 9,10 0,50 1,30

5 1 0,50

■ Guinness Mabon ■ Hambros Bank

Hargrave Secs. Ltd. 210 Heritable & Gen. Trust 11

Hongkong & Shanghai 101% Kingsporth Trust Ltd. 12 % Knowsley & Co. Ltd. ... 111%

National Westminster 101% Norwich Geograf Trust 101%

Yorkshire Bank 2101%

Members of the Accepting Houses Committee. 7-day deposits 8%, 1 month 8.25%. Short-term £8.007/12 months

10.6%.
7-day deposits on sums of: under 110.000 9%. £10.000 up to £50.000 8½%. £50.000 and over 95%.
Call deposits £1,000 and over 74%.
21-day deposits £1,000 and over 74%.

21-dey deposits over £1.0 Demand deposits \$%, Mongage base rate. Effective from close of on 31 August 1982.

U.S. \$20,000,000

(Incorporated in the United Mexican States)

FLOATING RATE NOTES DUE 1988

In accordence with the provisions of the Notes notice is hereby

given that for the interest period from August 31, 1982 fo Februery 28, 1983 the Notes will carry an interest rate of 1296%

per annum. The interest payable on the relevant interest payment date, February 28, 1983 against Coupon No. 3 will be

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years.

Deposits to and further information from The Treasurer, Finance for

Industry pic, 91 Waterloo Rd., London SEI 8XP (01-928 7822, Ext. 367).

Alahli Bank of Kuwait (K.S.C.)

U.S.\$25,000,000

Floating Rate Notes due 1983

The interest rate for the six-mooth period from 36 August 1982 to 28 February 1983 (188 days) has been fixed at

The amount of loterest per bood of U.S.\$1,000 cominal amount is U.S.\$61.35, payable oo 28 February 1983.

Westdeutsche Landesbank Gironzentrale

Agent Bank

Cheques payable to "Bank of England, ac FFI" FFI is the holding company for ICFC and FCL

Interest paid gross, half-yearly. Rates for deposits received not later than

3 4 5 6 7 8 9 10 101 101 11 111 111 111 111

Empresas

La Moderna

The Chase Menhattan Bank N.A., London

Williams & Glyn's ... 10 Wintrost Sets. Ltd. ... 11

■ Samuel Mootagu 11 9 ■ Morgan Grenfell 21019

Roxburghe Guarantee...

Standard Chartered" Trade Dev. Bank

BASE LENDING RATES

2.50 1.20

===

10.50

1,60

7.24.90

15.30

7.87.50

120

126.50

F.103

200

_ 10

F.80 15 F.90 585 F.100 79 F.90 77 F.100 5 F.140 10 F.150 20 F.150 20 F.150 70 F.160 21

TOTAL VOLUME IN CONTRACTS 5,843

A=Asked

A.B.N. Bank Allied Irish Bank

Amro Bank 101 Renry Ansbacher 11

Arbuthnot Latham ... 11 % Associates Cap. Corp. 12 % Banco de Bilbao 11 %

Cayzer Ltd. 11 Cedar Holdings 11

Clydesdale Bank 11 %
C. E. Costes 12 %
Comm. Bk. of N. East 11 %
Coosolidated Credits 11 %
Co-operative Bank 11 %
Corinthian Secs. 11 %
The Cyprus Popular Bk. 11 %
Duncan Lawrie 11 %
Eagil Trust 10 %
E.T. Trust 11 %

Exeter Trust Ltd. 12 %
First Net. Fin. Corp. 141%
First Nat. Secs. Ltd. 14 %
Robert Fraser 121%

Charterhouse Japhet... Choulartons Citibank Savings 11 %
Citydesdale Bank 11 %
C. E. Costes

2.70

0.80 7,40 16.60 17.80 7,50 1,50 1,80 6,50

5 1.50 11 5.60 110 0.90

0.80

0111411

THE GROUP balance sheet of Scottish, English and European Textiles remains strong and the results shown by management figures to date are better than those for the same period last year, says Mr J. H. M. Meckenzie, the chairman, in his annual statement.

Despite certain comments to the contrary the worldwide recession still appears to be here, he says, and as e result it is very difficult to give any firm indica-tion as to the likely group results for 1982-83 until publication of the half yearly figures.

As reported August 19, pre-tax profits of this woven fabrics manufacturer, fell from £1.42m to £0.95m for the year ended April 30 1982 oo turnover down from £12.89m to £10.92m.

At the year end, group share holders' funds were up from £5.04m to £5.56m. Net current assets improved from £4.21m to £4.68m, while fixed assets came to £1.99m (£2.18m). There was an iocrease io working capital of £345,000 (£573,000).

BERKELEY **EXPLORATION**

Acceptances have been received in respect of 4,807,431 new shares of £1 each in Berkeley Exploraapproximetely 96.B per cent of the new 4,965,000 new shares offered by way of rights to ordinary sbareholders.

The new sbares not taken up have been sold in accordance the benefit of the ordinary sharepreviously allotted.

Uoderwriters have accordingly been relieved of their liability

PENDING DIVIDENDS

Dates wheo some of the more important company dividend statements may be expected to the next few weeks are given in the following table. The dates shown are those of last year's announcements except where the forthcoming board meetings (indicated thus*) bave been officially notified. Dividends to be declared will oot necessarily be at the amounts in the column headed "Announcement last year."

Date	ment lest	Oate	ment lest
AdwestSept 25	Finel 5.4 Injerim 2.8	*KCA IntSept 9 Kleinworth	Interim 2,75
gaboock Inf. Sept 1		BensonSept 22	Interim 3
9ank of ScotlandSept 21	l	*LadbrokeAug 31	Interim 3.80
September 21	Interim 10	Laing (J.)Sept 29	Interim 1
OevalopmieSopt 21	Final 9.85	LaportsSept 22 *Lead IndustsSept 9	Interim 3.5 Interim 3.7
BETSept 2 BICCSapt 8	Finel 5.709	Legel & Ceneral	Interna 3,7
BPSept 2	Interim 3,33 Interim 9,25	AssuranceSept 18	Interim 4.0
8 / R	Injan m 4,25	London Mchnt SecurinesSept 15	t
Sarrow		MarchwialSept 1	Final 0.72 Interim 2.4
Hepburn8ept 15 8ajamOct 6	Interim 0,8 Final 1.5	Menzies (J.) Sept 22	Interim 1.45
9a) (A.),5ept 29	Finel 3.168	Mills and	
Biltou		Allan,Sept 23	Finel 15 Interim 3.01
Percy)Oct 1	Interim 2.5	MinetOct 8	intorm S.C.
HodgaSept 9	Interim 0.5	CrucibleSept 2	Interim 3.5
Sooker		NEISept 22 Nurdin end	Interim 1.37
McConnelSept 17 96walerSept 15	Interim 1,275	PeacockSept 9	Interim 1.125
BowthorpsOct 1	Interim 4,25 Interim 1,521	*Pearson (S.)Sopt 9	Interim 3.75
9ritish .		*P & OSept 8	Interim 3.0
AerospaceSept 15 British VitaSept 7	Interim 3.0	Phoenix	
BunziSept 7	Interim 2.7 Interim 4.5	AssuranceSept 1 PrudentielSept 8	Interim 7.3 Interim 4:5
BunziSeot 16 BurmahSept 16	Interim 1.5	*Ransomes Sims &	
Cadbury		JaHeriasSept 16	Interim 3.14
SchweggesSept 2 Cape IndsOct 6	Interim 1,3 Interim 3,9	*RMCSept 29 *Reckitt end	Interim 3.7
Charlethouse .	11191111 3.3	ColmanSept 7	Incerim 3.8
GroupSapt 2	Interim 1,925	*RTZSept .15	Interim 5.S
CombenSept 7	Interim 1,2	Rowntree MackintoshSept 24	Interim 2.7
Eng Strs Oct 7	Interim 1,49	RuberoidOct 8	leterim 1.3
Commercial		Rugby Portland	
8ank AustAug 13 Cons. Gold	Finel due	Scottish CementOct 5	Interim 2.35
Fields Sept 14	Final 19.00	Metro PropOct 7	Finel 2.0
CosteinSept 7	Interim 4,5	SedgwickSept 10	Interim 2.25
Crode IntSapt 9 ORGSapt 22	Interim 1,S Interim 3	*Shell TransportSept 8	Interim 8.5
DebanhemsDct 9	Interim 2.041	TransportSept 8	Interim 6.0
DeltaSect 18	Interim 1.82	EnginearingSept 21	រែវទេក់ភា 4
OunlopSapt 24	Interim 2	Standard and	Interim 13.8
egle SterSept 19 xgamet IntSept 15	Interim 7.0 Interim 2.0	Charte 9kSept 8 SteetleySapt 17	Interim 4.0
reamensSept 21	Interim 4	"Sun AlliancaSept 1	Interim 19.5
reamensDct 5	Interim 1.9	Trevia and	
GRE	Interim 6.75 Interim 4.0	AmoldSept 15 *Tricentrol5ept 2	Interim dua Interim 0.64
ProttenOct 1	Interim 1:866	Tumer and	1110011111 0.07
Guinness .		NewallSept 2	înterîm dus
PestSept 11	Final 1.25 Interim 2	*United 9 iscuiteSept 9	Interim 2.25
lombro LifeOct 7	laterim 3.5	United	.,
larrit.	II	NewspepersSept 22	Interim 4.5
QueenswayOct 7 lawley GrpAug 26	Interim 1.33	UOSSept 17	Interim 2.5
lepworth		VickersOct 1	Interim 4.55 Interim 0.1
Caramic Sept 8	Interim 2.25		Interim 4.3
StuartDot 8	Interim 0.475	"Wimpey	leterim O RE
		· /Consent Foot 20	Lateries C OF

Stuart...Dot 8 Interim 0.47 Higgs & Hill...Oct 7 Interim 2.5 *House of (Gaorge)...Sept 30 Interim 0.85 Board meeting intimeted. † Rights issue since made. † Tax free. § Scrip issue gince made. ¶ Forecast.

Corporation N.V.

(Incorporated with limited liability in the Netherlands Antilles) US\$300,000,000

ed Floating Rate Notes due 1983 Unconditionally guaranteed by

In accordance with the terms and conditions of the above-mentioned Notes and the Agent Bank Agreement dated as of August 20, 1979, between Citicorp Overseas Finance Corporation N.V. and Citibank. N.A., notice is hereby given that the Rate of loterest has been fixed at 10½% per annum and that the interest payable on the relevant Interest Payment Date, November 30, 1982, in respect of US\$10,000 nominal of the Notes will be US\$271.74.

August 31, 1982 By: Citibank, N.A., London, Agent Bank

M. J. H. Nightingale & Co. Limited

27/28 Lova	t Lane London EC3R	8EB		Teleph	опе (1-621	1212
		٠.				P/I	E
£000'e			Change	Grose	Yield		Fully
capitalisation	Company	Price	on week	div. (p) -% -	Actual	taxed
A.265	Ann. Brit. Jod. Ord		+ 1	6.4	5.0	11.6	14.4
7,200	Ass. Brit. lad. CULS	138	+ 1	10.0	7.2	_	· —
4.052	Airsprusg Group	70		6.1	8.7	8.0	13.7
1,100	Armitage & Rhodes	44	_	4.3	8.8	- 3.7	8.3
14,236	Berdon Hill	233	+ 3	11.4	4.9	10.0	12.3
1,450	GCL 11pc Conv. Pref	116	+ 2	15.7	13.5	_	_
4.189	Cindico Croup	265	_	26.4	10.0	10.7	12.0
	Deboreh Services	. 73	- 1	8.0	8.2	5.1	7.4
4.302	Frank Horsell	135	_	7.9	5.9	6.7	7.8
	Frederick Parker	71	_	8.4	9.0	8.6	6.9
	Ceorge Sleir	53	_	_	_	_	_
3,980	Ind. Precialon Castings	98	- 1	7.3	7.4	7.1	10.7
2.832	les Conv. Pref	118	+ 1	15.7	13.3	_	_
	Jackson Group	114	+ 1	7.5	6.6	3.5	7.3
18,632	James Burrough	135	+ 3	9.8	7,1	9.9	11.0
	Robert Jenkins	194	4	20.0	10.3	2.1	30.8
4.380	Scruttone 'A"	83	+ 2	5.7	8.9	10.8	13.O
3,661	Tordey & Carlisle	150	-	11.4	7.6	6.7	11.6
	Usilock Holdings	21		0.46	2.2	_	_
	Walter Alexander	84	_	8.4.	7.6	5.5	9.8
	W. 9. Yeates	248	– 1	14.5	5.9	8.5	18.0
	Prices now sveilable	on Pr	estel per	a 4814	S.		

Fairview Estates plc

Preliminary Statement -- year ended 30th June 1982

	Year Ended 30th June 1982	Year Ended 30th June 1981
	\$000	£000
Turnover	30,971	27,831
•		-
PROFIT BEFORE TAXATION	6,247	5,745
Taxation	1,042	2,898
Profit after Taxation	5,205	2,847
Amount Absorbed by dividends	1,685	1,519
Dividend on Ordinary Shares		
Interim	1.328p	1.265p
Final	3.673p	3.282p
	 .	
Total	5.001p	4.547p
:		
Earnings per share	15.5p	q8.8
Net Asset Value per Share	155p	144p

DIVIDENDS

The final dividend proposed by the Directors of 3.673p per share is the net payment to shareholders. Taking into account the tax credit available to United Kingdom shareholders, the total dividends paid or proposed represent a total of 7.144p per share. The final dividend will be, subject to approval by the members, paid to those shareholders on the register at close of business on 16th September 1982.

PROFIT & PROSPECTS

The results show a reasonable improvement in profit on the preceding year, in particular the growth in contracted rent roll from £3.5m to £4.44m (over 26%) is pleasing. The general economic climate during the period has not made house sales or Investment lettings easy. Full details of a proposal to withdraw from housing completely upon a phased basis are being forwarded to shareholders.

> D. J. Cope, Chairman 27th August, 1982

Fairview

Citicorp Overseas Finance

CITICORPO

CITIBAN(

U.S. \$25,000,000

Bergen Bank A/S

Floating Rate Capital Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 31st August, 1982 to 30th November, 1982 the Notes will carry an Interest Rate of 11 to a per annum. The relevant Interest Payment Date will be 30th November, 1982 and the Coupon Amount per U.S. \$1,000 will be U.S. \$27.96.

> Credit Suisse First Boston Limited Agent Bank

U.S. \$100,000,000



Manufacturers Hanover Overseas Capital Corporation

Guaranteed Floating Rate Notes Due 1994

In eccordance with the provisions of the Notes, ootice is hereby given that for the Interest Period from 31st August, 1982 to 30th November, 1982 the Notes will carry an Interest Rate of 1015 % per annum. The relevant Interest Payment Date will be 30th November, 1982 and the Coupon Amount per U.S. \$1,000 will be U.S. \$27-65.

> Credit Suisse First Boston Limited Agent Bank

هكذامن المتحمل

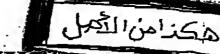
BASF Aktiengesellschaft

Copies of the interim report (first half-year 1982) are available from

Kleinwort, Benson Limited. 20 Fenchurch Street London EC3P 3DB

S. G. Warburg & Co. Ltd., 30 Gresham Street London EC2P 2EB

BASF Aktiengesellschaft D-6700 Ludwigshafen



UK COMPANY NEWS

Invest. Trust of Guernsey improvement

Net revenue of the Investment trust of Guernsey advanced from £239,000 to £318,000 for the first half of 1982, but the board toes not expect that this rate of increase will be maintained for the second six months. Net revenue for the whole of 1981

entailed £614.000.

The interim dividend is being raised from an equivalent 1.8p to 2.1p gross per 50p share and shareholders will also be giveo the right to slect to receive new hares in lieu of the net cash

Net asset value per share at June 30, 1982, was 112p, as against 113p six months earlier. The market value of investments came to £13.7m (£14.28m) and cash on short term deposit ncreased from £0.64m to £1.8m.

MORGAN CRUCIBLE

At separate meetings of the holders of the 53 per cent irre-deemable unsecurred loan stock and the 61 irredeemable un-secured loan stock of Morgan Crucible, passed extraordinary resolutions approving the terms of the repayment of each of the

Accordingly the proposals for he repayment of £61 per cent of the 51 per cent stock and £68 per cent of the 61's per cent stock have become unconditional.

SUPRA GROUP LAND PURCHASE

Supra Group has purchased from Auchard Development 1,75 acres of freebold land in othem, near Learnington Spa.

footham, near Leamington Spa.
for £70,000.

The-land, on which planning permission has been granted, is adjacent to an existing Supra freehold property occupied by a subsidiary. Supra Automotive.

The consideration has been stiefed by the issue of 233,334 of dinary shares of Supra at 30p each of and prediced to the wender. each and credited to the vendor

Exchange of RIT and Hume debenture stocks approved

approved and sanctioned the proposals for the exchange of new debenture stocks of RIT and Northern for the existing deben-ture stocks of RIT and of Hume.

Dealings in the new debenture stocks of RIT and Northern issued in exchange for itsted RIT debenture stocks and Hume debenture stocks are expected to commence on Angust 31 for deferred settlement on Septem-

In order to simplify the In order to simplify. The borrowing structure of the en larged group and to facilitate transfer of assets by RIT 10 RIT and Northern, Law Debenture and Northern, Law Debenture the consent of the trustee) of Corporation, trustee for the holders of the J. Rothschild its subsidiaries to any bolding Investment Holdings (JRI)

At meetings held yesterday 14.25 per cent Guaranteed bonds the holders of RIT depenture due 1990, has, at the request of stocks and of Hume Investment JRI, the guarantor (RIT) and Trust Company depending stocks. modification of the trust deed. The modification involves:

(a) Giving of a guarantee in respect of the bonds of RIT and Northern in addition to but (immediately prior to any members voluntary winding up of the guarantor) in substitution for the release of, the guarantee in respect of the bonds given by the Puarantar

(b) An increase in the annual rate of interest on the bonds of 1-4 per cent as from August 15,

Hanson Trust's £1.8m sale

Continuing its policy of con-ceotrating resources on its main battery activities, Hanson Trust's British Ever Ready division announces the sale of its 84 per cent interest in A/S Skaland Grafitverk, the Norwegian min-ing subsidiary, and its Advanced Projects Group (APG), at Ahing-don, Oxfordshire.

don. Orfordshire.
Skaland, which is being sold to Arco Graphite Inc for £1.2m, has borrowings of £1.4m and incurred a loss of £87,000 for the

assets of £500,000.

The existing trading relationship between British Ever Ready and Skaland for the purchase and factoring of graphite are being maintained, directors state. A consortium comprising insti-tutional investors and senior executives of APG have formed a new company. Venture Tech-nology, to purchase the assets of APG for £885,000 and to take

over the lease of the premises.

PITMAN (publisher, printer, college occoristor)—Results for year to March 31 1982 already known. Shareholders lunds £10.24m (£10.81m); fixed assets £8.18m (£10.82m); ner current essets £4.88m (£2.83m), including loens and overdrates £5.71m (£4.69m); medium and long-term liabifiliae £4.69m (£4.04m), including bank loans £2.51m. [£2.82m); increase in working aspital £2.15m (£1.97m decrease). Compensation for loss of office £75.000. Meching: Southampton Place, WC, Seprember 20, noon.

OIL AND ASSOCIATED INVESTMENT

RESULTS AND ACCOUNTS IN BRIEF STONEHILL HOLDINGS Idomesti STONEHILL HOLDINGS Idomestic forniture maker)—Results for the .53 weeks to April 4 1982 reported June 27. Shareholders' funds £4.92m (£5.03m). Fixed assets £2.67m (£7.58m). Current assets £5.82m (£7.68m), including bank belances and short term deposits £242.861 (£1.33m). Net current assets £2.25m (£2.24m). Retirement banefits of £17.231 gaid to former director. Maeting: Churchill Hotel, W, September 23, 11.30 am.

Arlington Motor stays

on same course Management accounts showed that trading results of Arlington Motor Holdings were continuing on the same course as indicated in the recent chairman's statement, members were told at the annual meening.

Last month, Mr N. C. N. Housden, the chairman, said he was encouraged by management ac-counts that showed the group to have been trading profitably this year, with trading results well ahead of those for the corresp-

ponding period of 1981.

For the year ended March 31, 1982, Arlington made a loss before tax of £90,000 (£94,000 profit) on marginally higher turnover of £55.9m (££.7m). The group is principally engaged as a motor dealer.

NORWEST HOLST HOLDINGS

Norwest Holst Holdings is to redeem all outstanding

redeem all outstanding preference stares on November 30 1982 at par, together with the accrued dividend.

In addition to the half year, dividend of 5.875p net payable on September 30 1982 and to the principal mories payable on redemption, holders will thus receive on redemption, be dividend accruing from October 1 through to November 30 1982 of 1.9637p net.

RENWICKS BUYS PHOENICIA TRAVEL

Renwicks Travel, a subsidiary of the Renwick Group, has agreed to purchase the capital of Phoenicia Travel and its subsidiary, Travellers Joy Travel Service, which operate 10 travel agencies in Avon and Somereet. The consideration payable is £410,000, of which £310,000 is payable on completion on Sep-

payable on completion on Sep-tember 30, 1982, and the balance on June 30, 1983.

The not tangible assets of Phoenicia and Travellers Joy are-valued at £50,000 and profits for the year to September 30, 1981

This advertisement complies with the requirements of the Council of The Stock Exchange.

U.S. \$50,000,000

Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft

(Incorporated in the Republic of Austria with limited liability)



151/4% Subordinated Bonds Due 1989

Subordinated as to payment of principal and interest

The following have agreed to subscribe or procure subscribers for the Bonds:

Credit Suisse First Boston Limited

Morgan Stanley International

Algemene Bank Nederland N.V.

Chase Manhattan Limited

Citicorp International Bank Limited

County Bank Limited Crédit Lyonnais

Deutsche Bank Aktiengesellschaft

· Kredietbank S.A. Luxembourgeoise

Kuwait Foreign Trading Contracting & Investment

Swiss Bank Corporation International

Merrill Lynch International & Co.

Salomon Brothers International

Orion Royal Bank Limited

Westdeutsche Landesbank Girozentrale

The issue price of the Bonds is 100 per cent. The Bonds have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Bond.

Interest is payable in arrears on 1st September, the first payment being made on 1st September, 1983.

Full particulars of the Borrower and the Bonds are available in the Extel Statistical Service and may be obtained during usual business hours up to and including 14th September, 1982 from the brokers to the issue:

Cazenove & Co., - 12 Tokenhouse Yard. London EC2R 7AN

Buckmaster & Moore, The Stock Exchange, London EC2P 2JT

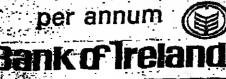
31st August, 1982

Bank of Ireland

announces that with effect from close of business on the 31st August, 1982

Base Rate for Lending is reduced from 11% to 10½%

its



Hill Samuel **Base Rate**

With effect from the close of business on August 31sf, 1982 Hill Samuel's Base Rate for lending will be reduced from 11 per cent to 10½ per cent per annum.

Interest payable on the Bank's Demand Deposit Accounts will be at the rate of 71 per cent per annum.

Hill Samuel & Co. Limited
100 Wood Street, London EC2P 2AJ.

Sceptre Resources C\$978,000 in loss

dian activities of Francana Oil consultants' reports are estiand Gas on May 14 1982—inareased revenue by 93 per cent
from CS4.14m to CS7.96m. The
results reflect the combined
Additionally, the company has
available reserve capacity to entities after acquisition.

Cash flow from operations declined approximately 7 per cent to \$2.62m (22 cents per share) from \$2.82m (33 cents per share).

However, the operations produced losses of \$978,000 compared to earnigs of \$9,000. After deductions for dividends paid on ontstanding convertible pre-ferred shares, losses per share emerged at 17 cents compared with 12 cents.

Capital spending during the period amounted to \$21.1m. Approximetely 50 per cant of this was made in the U.S. 28 per cent in Abn Dhahi, UAE and 14 per cent in Canada.

During the six months, Sceptre

During the six months, Sceptre participated in a total of 68 gross wells—49 in Canada, 17 in the U.S. and two overseas—resulting in 18 oil or potential oil wells, 22 natural gas wells and 28 dry, abandoned or suspended wells. Primarily, es a result of the Francana acquisition. Sceptre's Francana acquisition. Scepire's natural gas production for 1982 increased 130 per cent to 12.7m cu ft a day and crude oil pro-

duction increased by more than 500 per cent to 790 barrels a day On a pro forma basis with Francana, Sceptre's gross proven and probable oil and gas reserves are estimated by inde-pendent engineering consultants to be in excess of 22m berrels of oll and approximately 309bn

cu ft of natural gas.
For 1988, when Sceptre will experience the full impact of the

Export and overseas sales

Profit before tax and Extra-ordinary items

Dividends per share lincluding tax credit

Profit after tax and minority interests but before Extra-ordinary items

Extra-ordinary item - less tax

Emmings per share

Net assets per 5p share

Tatel sales

F. H. Tomkins

FASTENER DISTRIBUTION

BUCKLE & FASTENER MANUFACTURERS

The greatly reduced operating base has been a key factor in achieving some

measure of progress towards restoring a more acceptable earnings level.

Secretary, Bescot Crescent, Walsall, West Midlands WS1 4NP.

Desmond Porter, Chairman

1981/82

£'000

10.875

3.856p

1.9286p

1980/81

£,000

11,368

4,756

16,124

(1.785)

(1.074)

2.814p

1.8429p

23,804p

788

IN THE first half of 1982 Sceptre Francana acquisition, production Resources — whose operations rates, based on present reserves were combined with the Cana- as projected in the independent

significantly increase production above those levels in the event of an improvement in demand for Western Canadian crude oil or an improvement in natural gas export and domestic markets,

the company says.

It has announced the intention to sell_its investment in Candecca Resources, which has a current market value to Sceptre of over \$50m.

Current activity in Caneda includes an active programme of drilling for oil in Alberts and Saskatchewan. Sceptre is encouraged by recent measures intro-duced by the Federal and both provincial governments. In addition the company is drilling a variety of wells in natural gas prone regions where contracts are available.

In the U.S., Sceptre reports recent significant drilling success in the Williston Basin, Wyoming and in the Gulf Coast region. and in the Guif Coast region.
Sceptre is presently participating as to a 4 per cent working interest, in a significant Prairie du Chien lest in Missaukee county, Michigan.

The well, Patrick Gilde 1-25

is 8 direct offset 10 the Dart Edwards 7-36 well which was completed in the Prairie du Chien in 1981 and tested at 12.3m cu ft e day. Results are expected in September 1982. . Internationally, Sceptre is par-ticipating, as to a 5 per cent interest, in a well on Block J/5 in the German sector of the

Renunciation date usually last day for dealing free of atamp duty. b Figures and on prospectus eatimate. d Dividend rats gold or payable on gert of its!: cover based on dividend on full espital. g Assumed dividend and yield. dicated dividend: cover reletes to previous dividend, P/E ratio based on lates! softs: cover based on dividend on full expital. g Assumed dividend end ylatid. I indicated dividend: cover retetes to previous dividend, P/E ratio based on latest annual sarrilings. I Porecast dividend: cover based on prospectus or other official estimates for 1982. Q Gross, T Figures assumed, © Figures or report awaited, ½ Cover sallows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing Orice. Penes unless otherwise indicated, ½ leased by render. (i) Offered to holders of ordinary shares as a "rights."." sallowed by way of capitalisation. §§ Reintroducted. ?? leased in connection with reorganisation, marger or take ower. (ii) Introduction. ☐ I seed to former orderence bolders. ★ With warrants. If Dealings under appeals Rule. & United Securities Market. It London Listing. ‡ Effective issue orice ofter acrio. Formarily doelt in under Rule 163(2)(a). †† Uoit comprising five ordinary and three Cap. shares. A lessed line as an entitlement to ordinary holders.

EQUITIES

FIXED INTEREST STOCKS

99.528 | 120 | 2934 | 314 Australia 131-2 i.i., 2010 | 2834 | -14 | 100 | 100 | 20 | -21 | 2014 | Electricite de França 122 i.i., 2010 | 21 | 100 | 7.P. | -100 | 20 | -21 | 2014 | Electricite de França 122 i.i., 2008 | 21 | 100 | 7.P. | -100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 10

"RIGHTS" OFFERS

F.P. 8219 - 30/7 20 F.P. 40 F.P. 40 F.P. 6 F.P. 7:9 78 F.P. 10/9 (45) F.P. 31 F.P. 31 F.P. 31

NatWest Registrars Department

National Westminster Bank PLC has been appointed Registrar of

A&G SECURITY ELECTRONICS plc

All documents for registration and correspondence should in future be sent to:

National Westminster Bank PLC Registrar's Department PO Box No 82 37 Broad Street Bristol BS99 7NH

Telephone Bristol (STD Code 0272) Register enquiries 290711 Other matters 297144

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.



Crédit National

Issue of up to

£37,500,000 13½ per cent Notes 1989

unconditionally guaranteed, as to payment of principal, premium (if any) and interest, by

The Republic of France

Interest payable semi-annually on 5th May and 5th November

Hambros Bank Limited

Samuel Montagu & Co. Limited

In accordance with the requirements of The Stock Exchange in London, up to £1,500,000 nominal of Notes will be available to the market on Tuesday 31st August, 1982. The issue price will be determined and an announcement made later today. The Notes will be payable in full on acceptance.

It is proposed to place up to £16,500,000 nominal of the Notes and application has been made to the Council of The Stock Exchange for the amount of Notes placed to be admitted to the Official List. Application will be made for admission of further Notes to be admitted to the Official List as and when conversion (further details of which are set out in the available particulars) occurs.

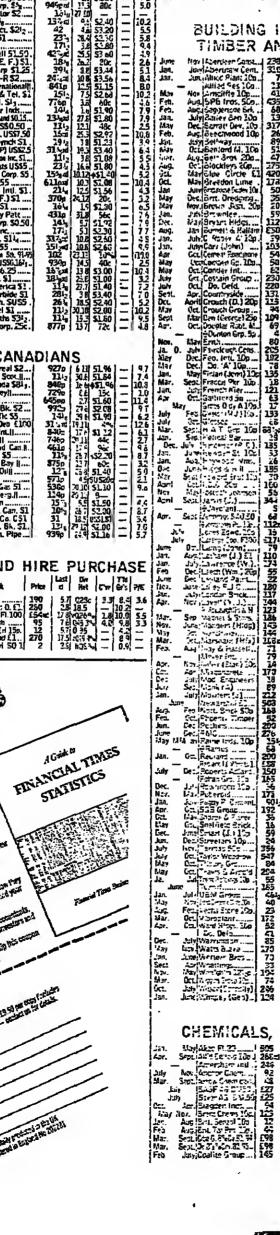
Particulars of Credit National and the Notes are available in Extel Statistical Services Limited. Until 15th September, 1982, particulars may be obtained during usual business hours on any weekday (public holidays excepted) from the Brokers to the issue:

> W. Greenwell & Co., Bow Bells House, Bread Street, London EC4M 9EL

31st August, 1982

Rowe & Pitman, City Gate House, 39-45 Finsbury Square, London EC2A ÎJA

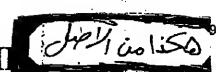
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- HDE Bred (Astro-12ft) 60 2.87 c2.5 Dec. Debenfastrs	1.812.1074 Mar. July Cantiord Eng	# 168 01 - 0.9 - 0	Str. Jose Advance Services Hip 494 3.5 4 1.8 4 4 4 4 4 4 4 4 4
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Dec Freemans 119 194 415 150	e 11 d e 120 Sept Law W. Sept Law W. Sept Law W. Sept Law W. Lanel Couper (Fr) 100 1 Law Lanel Couper Inst. 10p . 8 10 11 11 11 11 11 11 11 11 11 11 11 11	115 015 62134 — 12 25 05 0 B7	Feb. Judy Ass. Sprayers 10p 23 7.5 1.25 1.4 7.8 0.13 Oct. Aurie Carlotte Ca
Dec. Gus A	33 36 12.6 31 32 30.9 32 30.9 32 30.9 32 30.9 32 30.9 32 30.9 32 30.9 32 30.9 32 30.9 30 30 30 30 30 30 30 30 30 3	194 105 83 23 54 23 197 52 54 38 10 16 17 37 01 9 9 8 (65)	Oct. Agr. B.E.T. Deld 182 7.727.57 2.5 5.9 7.8 Apr. Oct. POC Group 1904 15.8 15.11 4.9 3.9 5.6 Bu. 9.00 18.0 15.11 4.9 3.9 5.6 Bu. 9.00 18.0 10.0 5.141 2.5 6.9 2.2 5.6 5 May No. 277 2.2 2.3 2.2 2.3 8.7 5. 2.1 3.8 1.45 Dec. July Bears (Who.) E.1. 229 7.4 12.9 18.8 (7.9)
Sept. Helecot. Los. 10n. 1212 28 148 Nov. Hennouses & 100 22 304 15 June Herworth (1.) 10p 96 9.11 3.79 0ct. Hollas Grp Sp. 35st 16.8 3.0 Nov. Hone Charm 10p 27 194 3.8	1.9 16.9 9.4 Mar. July Dentand 50p 79 0.41 9.71 Dec. May Desouther 50 1.61 5.7 (13.9) Dec. July Downlebrae 10p. 15 1.61 2.7 7.81 Apr. Sept. Drate & Scall Ip.	7.6 7.5 1273.6 (7.9) 103 5.7 13102105 229 3.0 28 6.46.29 23 644.5 17 4.6 (55)	April Barget 27 194 1.0 3.2 1.1 (0.9) Aufy Nove Barrow Hesburn 27 194 2.2 1.6 (1.6) Aug. Mar. Barb & Portland 168 at 16.8 +4.5 2.1 7.5 8.8 M. J. S. D. Barner Tan, 1931 2224 8.6 Q46c 1.1.2 — Dec. May [Ceutson Claric 207 29.3 8.5 3.8 5.9 7.2
July House of Fraser JSB 30.4 7.0 June House of Lerose, 104 293 6.6 Aug. Jones (Dwell Jule 78 5.7 43.9 Central Review Prote 200, 36 2.9 3.4 Nov. Lee Cooper 87 175 3.02	21 91 7.4 Feb Oct Effort (8.)	137 4	Feb. Ang Beecham: 298 7.6 3.0 3.7 3.8 (28) Jan. July Bellow Cos. 10p 8 1073 — — — — — — — — — — — — — — — — — — —
Ney Liberty 136 304 24 Neo Do Non Vig. Ord 63 30.4 24 Apr. Lincordt K. 10p. 2912 152 1.0 Live Lowland Drapery 11 26 28 Apr. MF7 Furnitime 10p 67 28 28	122 25(35) Oct. Apr. Fife Indiana. 122 54(20.1) Apr. Oct. Firth(G. M.) 10p. 152 125 43(20.1) Apr. Folkes Hto no 5p. 12 Jan. App. Gell. Intrin. 20p. 170 124 125 125 125 125 125 125 125 125 125 125	293 6.0 27 7.1 5.9 ld 148 3.0 14 27 35.0 17.5 0.25 — 14.9 — 577 5.32 0.9 10.5 05.3	May Sepi Bibby (J.) 50p. 275at B.# 155.67 3.7 2.918.9 Oct. May Bibarcated Eng. 35 39,4 69.0 25 8.9 6.5 July 8.35 19,8 8.5 1.4 3.1 1.4 3.1 July (Billiam (J.) 10p. 68 7.6 5.7 2.7 12.0 4.3 Jun. Oct. Bisck Arrow Stp. 36w1 168 2.75 6 1.0 9 6
171 173 4.6 174 175 4.6 175	3.6 4.1 7.6 May Dec Greenbank 100. 4 4.7 2.7 8.7 Nov. June Green's Econ	19.4 16 2.4 5.710.4 30.4 5.75 2.4 7.8 4.9 1 17.3 8.0 0.9 8.1 (20.3) 1 30.4 7.5 3.1 5.4 7.5	bo htt Rocker MrC 1 70 175 35 23 71 70
Apr. Other (G.) "A". 140 293 5.21 Oct. Owen Owen 150 304 3.0	29 16 789 July Dec Hawker Sid 350	175 5.12 3.3 3.710.7 165 110 22 7.9 6.7 28 60.75 1.6 10.7 8.2 17.5 9.3 3.4 3.8 8.7	Jan. July Boots
Sept. Previous (Alfred) 55rd 16.8 3.5 Dec. Pullman R. 6.1.5 Dec. Pullman R. 6.1.5 Oral Partners 100	15113/72) June Dec. Hopkinsons 50p 86 6.6 6.0(27) Mov. Mar. Howard Machy. 1 6 9.6 6 May Oct. Howden Group 255 6 70.4 6 May Oct. Hunt Mesorop 5p. 10	733 4.4 0 4.2 0 253 20.9 12 1(0.5)	Jan Mov. Greengreen 10p. 51. 28 0.8 3.3 2.2 0.8 April Dec. Brioseed Proc. 5p. 30 1173 1773 1874
Dec. Reed Austin 'A' 92 19-13.36 Oct. S&U Stores 129.0 271.271.22 ch Sept. Do. 27-91.124.22 27 27 3-14/15ehmcourt Sp. 92 11-6.25 July Sehmcourt Sp. 92 11-6.25	1.9 5.214.1 9aly (cc. 1.94.1) - 3.4 Aog. Mar. Jackon J&RB 5p. 49 1.01 9.7(C30) Jan. Johnson & Firth Jan. Johnson & Firth Jan. Journal of Firth Jan. Journal of Firth Jan. Jan. Jan. Jan. Jan. Jan. Jan. Jan.	32 57 16 47 46 62 1 293 93.75 1.9 8.8 7.3 1 23.2	Feb. Sopt BB & EA
hm. Stanley A.G. 5p 54 28 42.5 Aug. Steinberg 10p 30 1 0.02 July Sumrie 20p 45 1 15 July Term-Consulate. 41 12 25	16 67/114 Jan. May Leice & Effot 25 11 95/136 Apr. July Ley's Fourdries 125 185 Dec. July Ley's Fourdries 16 48 07 26 Jan. Apr. Laye (F.H.) 25	74 57 10.44 13 53 657 152 05 - 73 - 133 10 - 89 - 57 10 33 57 65	Dec. July Brown Box Rent. 32 538
July 1 Time Prods. 10p. 20 21.6 1.13 July 10 S Gertum	14 00 (13) Jan. July Locker (1) 50	ad 16.8 7.0 9 3.9 0 5.11 2.17 - 16.3 - 19.4 7.6 2.2 5.011.9	July Dec CSR ASI
Nov. Walker (Jas.) 51 29.3 4.0 Nov. Co. Ny. 68 23 4.0 1 233 4.0 Ko. Warno & Gillow 68 23 2.0 cr. Cct. Wearwell 5p 42 2312 (2.75 Cct. Wool worth	1.111.2 [8.8] 1.113.9 [8.8] 1.113.9 [8.8] 0ct. Apr. Metalwax 5p	283 k2.14 2.1 7.6 7.7 179 2.6 1.6 9.8(8.1) 149 2.0 — 3.0 — 2.8 3.25 2.7(10.1) 4.8	Jan May Cope Impostries 64 19.0 5.6 1.0 12.5 00.7 Mar. Sept. Correspondent 20p 12 181
ELECTRICALS Dec. AB. Electronic. 253 19,414.9	Apr. Oct Neepsend 127 23 (BE) May Nov. Newman Tonics. 60 127 1796.1 Nov. Newman Tonics. 60 127 1796.1 Sept. Feb. Review (W. E.) 50 3	28.8 0.1 — 1.1 — 13.0 5.1 1.110.7 (0.4) 28.9 4.23 2.0 7.1 (0.5) 780 8 — 7.1 (0.5)	September (Criestion 20p. 2892 28 d.1.0
Nov. Amstrad	22 12.9 Mar. Out Hartice Fairs in 11 22 12.9 Mar. Aug. Pegler-Half riley 20 May Pinnet Grp 10p. 31 Jan. Jane Porter Cleat. 20p. 44 11 10 17.8 Apr. Aug. Prasts (F) 56 14 (Apr. Nov. Prestwick Parker 29 14 (Apr. Nov. Prestwick Parker 29 15 (Apr. Nov. Parker 20 15 (Apr. Nov. Parker	715 10.75 25 7.0 72 293 120 17 92 7.7	Dec. Aug. Cristols 20p
Mary BSR 10p	11 24 (142) Sept. Mar (Priest (Ben) 22 24 50 11 9 July Jan R.H.P. 49 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	28 40 14115(31) 28 40 14115(31) 28 114 119 1(03) 168 20 556 52(36)	Apr. July/Con. Satasiv/Hio. 39 21.6/2.15 1.8/9.8/0.7 Jan. June/Cope Attractor 5p 38 17.5/9.20 0.7/7.5/61.9 June Oct/Copydex 1.0p 38 7.6/2.4 0 9.0/0 1.00 Narch Seq.(Costa 32 15.7/3.5 1.4/15.6/6.7) May Dec.Goorum Pope 20p 55 29.3/3.05 3.8/7.9/3.8
cv. May Continge Erec. 167 293 4.0	28 3.42.1 Ann. Nov. Richards (Leics.). 46-65 121 9 7 June Nov. Richards (Leics.). 46-28 3.4 15.0 Jan. July Richards (Leics.). 46-28 3.4 15.0 Jan. July Richards (Leics.). 31 Oct. May Robinson (Thec.). 31 May Robinson (Thec.). 31 3.9 1.6174 May. Oct. Santie 6. (100) 54	2 19.4 25 011115 — 19.4 25 3.0 5.7 \$2	July - Jan. Liven 13. 82 15.3 (04/15) 15 12.1 7.9 Apr. Nov. Crest Michael 10n 130ml 165 12.65 3.1 3.7 12.7 Jan. July Chalgery E1 7 280.05 1.0 Jan. July Chalgery E1 289 17.5 22.0 1.4 10.9 (0.5)
Nov. CrayEl rout. 10p 80st 1a.5 1.55 brany Crystalate 5s	2.6 6 Nov. June Senior Engy 10p 27 3.6 1.916.1 August State Francis 20p 36 4 5.8 6 July Dec. Strone Engy 9 356 5.8 6 Aug. Jan. 1600 Group 57 17 August Smith Whit. 5p 11 1.6 6.5 3.3 Jan. Mary Speech & June State 30	157 126 34 51 79 9.0 175 126 34 51 79 9.0 175 126 34 51 79 176 126 52 10 132 10 3 177 1 30 4 6 5 1 3 1 1 7 (0 3 1)	Dec. Aug De La Rue
- FOruck Hidgs 5p. 215 - b23 July Dutariter 5p 992 76 11.55 - ESI Landon 298# - 4c2.28 Oct. Electromas 10p. 190 2E 22		610 ±0.4 — # — 194 4.7 21 5.0 11.7 21.6 13.0 21 7.6 (7.4)	May Oct Down Sary In 25245 748 (702 — 32 — May Oct Down Sary In 25245) 4 168 0.3 — 1.6 — 164 — 164 — 164 — 165 (109 May Oct Down Star, 200 — 38 27 64 37 5 24 6 7 4 4
Store Fraction 838 96 Q1.5c	10 8.316.8 Jan. App. Fecaremit. 251, 24 8.4(5.6) Apr. Oct Telfos 20p. 25, 4,9 (19.1) Feb. Sept. Tex. Abras. 10p 49, 25, 14,9 (19.1) 10, 10, 10, 10, 10, 10, 10, 10, 10, 10,	28.7 L6 L8 8.6(7.7) 125 28 3.25 18 11.6 6.0 28 3406.49 4.2 4.2	June June Durmell Hicks 318 216 215 21 9.0 June Ju
Nor. Farnell Eirc. 59 225 — 1 25 +Feedback 10p 130 25 1 20 Aug. Franti 50p 435 57 M25 Jac. Franti 50p 53 681 0.1 Oct. First Castle 10p 51 175 NL75 Nor. Formaro Tech. 21 194 63.0	4.4 16 32 8 Jan. Aug Translers F H. 5p. 19 3.4 2.2 18.7 Jan. Aug Translers F H. 5p. 19 4.6 1.4 17.5 Jan. Aug Translers F Gries. 20 4.7 1.4 17.5 Jan. Hang Translers F Gries. 20 4.8 1.4 17.5 Jan. Jan. Utd. Wire Group. 87 2.5 4.1 9.7 Jan. Jan. Www. Server. 143 4.1 9.7 Jan. Jan. Jan. Www. 164 4.0 0.8 6 Apr. Oct. Victor Products 152	10 - 73 - 73 - 75 - 75 - 75 - 75 - 75 - 75	July Dec Eastern Prod. 50a 64 21.6 4.62 1.0 10.3 (6.4) Apr. Oct Eliver 10p 71.2 28 1.39 6 12.4 6 June Gectrolus S K-50. 790 5701 v0 16 v0 2.1 9.5 5.0 June Stan & Rodships 17 221.2 0.1 0.8 June Estan & Rodships 17 221.2 0.1 0.8 June Estan & Rodships 18 22.6 0.03 0.4
Dec Funtsu 750 190	4.5 1.717.3 Sept. May/Verger 185: Nov. June/Waldler 50p. 50 9.2; 7.0 - Mar. Oct. Wagon Industr 1 85m 1.1 3.8 (0.3) Jene Nov. Walker (C.& W.) 82: July Ded/Weels Assoc.10p 12:	07 7 03050	Oct DeclErskine House 39, 19
Merroductics L 5 28 24 1 1 1 1 1 1 1 1 1	2.6	145 87 50 25 102 70 - 1 335 0 160 0	Sept. Essette AB (GO EIA 155,0179; 5 5.9 5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Acr. Jones Stroud 88M 15.8 5.2 Jun Kode Int. 275 275 7.0 Oct. Lee Refrig. 215 114 8.0 Jefn M. K. Erecht 233 214 87.0 Nor Meroc 1Dn 30912 275 3.0 HMHer 33 10p 140 - ut2.0 [Mittel Corp. 11 2115]	• 8.4 • 1 Jan. June Wiessoe	28 - 12 -	July - 349; register with 77 3.7 5.7 1.7 8.2 8.7 July 18.0 1.0 1.0 3.6 5.7 July 18.0 1.0 1.0 3.6 5.7 July 18.0 1.0 1.0 3.6 5.6 Apr. Nov. Feater Date USS 77 15.3 (20.4%) 2.8 9.2 4.0 July July 18.0 1.0 1.0 3.6 21.6 20.7 2.8 36 21.6 20.7 2.8
## Works	21 25 237 FOOD, GROCEF	RIES, ETC.	Nos. June Superty (E.) 30p.) 58 30,0 4.02 21 9.5(2.7) De. De. De. De. Brissen 175 175 7.0 2.9 5.7 (9.6) Jan. May Fathery III 175 17.0 12.9 5.7 (9.6) Jan. May Fathery III 175 17.0 17.7 12.9 (9.13.6) Dec. June Francis Inst 44 17.5 5.0 1.71.7 20.5 1.71
lec Napia: Dect. V50 183 33.3 013% - Naric bras N.20. 700 - 10272% - 108E 100 249	6 0.8 6 Mar. Sept. Ass. Brit. Fig. 5p 152 9.9 U.6 15.6 Feb. Oct. Ass. Dairies 142 — 17.8 Apr. Asp. Asp. Fisheries 66 5.2 0.8 34.2 Apr. Oct. Awara Group 5p 350ml	151 -24 14 43 44 14 69 14 24 161 15 675 6 69 6	Many Jan G.R. (Hops)
- Piezo El Prok. lc. 37 - -	1.0 7.1 13.6 Mar. Aug. Barries Mill 20s. 21 1.0 7.1 13.6 Mar. Aug. Bassett (Geo) 78 Feb. Sept. Batters York 10p. 76 6 48 6 0ct. Accil Reland 10s 137	35 11 64 51 11 62 51 12 64 51 14 63 59	Agr. Oct: Glazzo 50p
Ort. Do. 'A' 20p	6 4.8 ♦ Jan. July Stshops.Crp 150	7.62 64.0 1 1.94 3.87 06.66 (Feb. Aug Halmen 30p 136 57 1.46 3.4 1.4225 Feb. July Harson Trust. 180 714 1550 2.77 4.0 (180 180 180 180 180 180 180 180 180 180
Aug Ratel Electrics. \$25 \$17.501	45 14 20.1 June Brit. Vend'y 10p. 13 35 17.9 June Brooks Bond 53 35 6.3 5.0 June Brooks Bond 53 15 6.3 5.0 June Brooks Bond 53 15 6.3 5.0 June Brooks Brooks Brit. 114 6.2 10.7 May Nov. Carriers & Ritling 78 May Nov. Carriers & Ritling 78 May Oct. Carrier Derives . 125 May Oct. Do. "A" N/V 113	US 46 20 58 (86) 26 425 26 78550 23 20 33 92 39 23 50 34 38 95 23 50 34 53 51	Milescy & Reception 24 38 26 30 41.4 4 4 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Feb. Scry Co. Y50 205 19.5 19.5 1288% ther Scrud Diffsn. 5p. 140 11.5 3.72 0ct. Stat. Tel. & Cabes. 565st 18.6 13.5 Ame Suter 5p 37 13.4 1.74 Nov. 1 telefusion 5p 50 13.5 11.6 Scr. 1 Dr. W. N. V. S. 68 13.5 13.6 13.6 13.6 13.6 13.6 13.6 13.6 13.6	May Oct Do. "A" NV 113	197 43 — 26 — 197 43 — 14 — 198 15 68 19 5272 149 20 — 75 —	Sharyters 193ml E B 105 18 7 18 27 1
Nov. Da. W. N. Y. Sp. 48 1.9 1.6 Amel Tele. Rentals 148 175 184.5 Oct. Thorn EMi 450ml 16.5 14.5 3 Adv 10.7 K Lev 19.7 12.5 23.11 7.9 1 Dec. Thorne F. W. 10.9 140 19.4 12.45 10.4 12.45 10.4 12.4 12.4 12.4 12.4 12.4 12.4 12.4 12	17 3.5 9 oec. June Do. — 200 176 18 16.7 Jen. Laybanchi Bon Wei 74 18 16.7 Jene Hool England (J. E.) Sp. 24 18 16.7 Jene Hool England (J. E.) Sp. 24 18 18 7.3 Jenus y Febre (A.) Sp. 42 18 18 19 10 Jen. Sept. Fitch Lovel 20 84 18 18 19 10 Jen. Jen. Sept. Historica 100 170 18 19 Sept. Historica 100 170 18 18 18 18 18 18 18 18 18 18 18 18 18 1	149 20 - 7.5 - 7.5 - 7.2 63.3 3.5 11441 226.5 46 6 9.3 6 22.2 5 7.6 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.7 5 7.7 68.0 1.9 3.2 2.9 6.1 7.7 1.0 6.0 1.9 6.	Feb. Oct Housest Terrens 400 175 50 23 6.0 85
AST. UKI SCIENTUR. 347 175 183.0	1 2.355.5 November Home Fam 10. 68 1. 4.426.4 Jan. June Westey & Pater Zh. 96 1. 8.0197.9 John Dec. Kwik Sare 10. 262 3.2 1.2.32.1 Feb. Sept. Linford Hidgs. 2146	29 29 61 77 444 13 66 (57) 17 66 13 13 21 8 17 265 121 1 (29)	hely Roma-huntleich 100 . 146 194 1 5.6 29 7 n December Hatch Mitzer Shttl 131 125 040c 4.6 1.716.4 Luby-Hymanti. 6.3150 7 30.6 0.1 4.3 3.5 6.7 Ap.Jy.O.J.a. 12. (Published) 1 1.5 7 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0
Oct Ward & Gold 43 2012 20 April Heper Et 12 p. 97 13 135	Klay Roy Lovell (G.F) 50 - 61 - Klay Jan Low (Wm.) Zip 174 17 52161 Oct Max Matthews (8) 110	M 000 13 65144	len. Nor-invali lats. 10p 51 75 1275 13 7.715 3

y Dec Eastern Prod. 5th.
Ori Claver 10c ori Claver PLASTICS | May Nov | May | May



Euphoria fades as Fed funds tighten

credit markets has come to an Vabrupt halt, at least temporarily. The suphoria with which the crowd out already cautious markets embraced the aharp corporate borrowers. Last week officine in short-term interest only \$1.1bn of new corporate offices bas field fast. Even the issues were brought to the efficient rate cut last Thursday market compared with almost lieves fully discounted ahead of \$3bn during the previous weak's the annuncement. has The bond market, which had

Gacked lifa all week, ended apriday on a sour note as short- two new pets-Tigrs, or tigera form interest rates climbed by Tip to 60 hasis points and the Fed funds rate traded at around (Treasury Income Growth Re-iden per cent — significantly ceipta) and CATS (Certificates thigher than its level in recent of Account on Treasury Securi-

do: The flood of new corporate Thaper dried up as company Treasurers sensed a change in the time of the market and on 24riday prices of government accurities pluuged.

M The overwhelming view in the markets is that the Fed

U.S. 18	VITEREST	RATES	(%)	1
			Week 70	7
		Aug. 27	Aug. 20	1
fad. Funde	wkly., sv.	5.44	a.33	
3-month -Tre	as bills	5.96	. 7.24	
3-month cd	••••••	9.85	9.55	
30-year Tree	s. bonde ,	12.23	12.25	. 1
AAA utility		14.38	14.25	
AA industr				-
Source: 9	Blowon a	ros. (88	Uma:03).	ě
p the week	463 3hn	et ja.	M-1 LOBB	1

sees decided that the decline in interest rates has gone far enough—at least for the present. That view was given added strength by Dr Henry Kaufman, the Salomon Brothers economist, who said on Friday that refer Fed Funds rate may stop stalling or even rise in the short ferm producing a short-term producing a short-term price setback in the capital at a sizeable discount and markets.

The serial Tigr does not pay any regular interest. Instead the investor buys the receipt at a sizeable discount and receives a single lump sum payment representing compnunded

markets. The \$1.4bn lucrease_in the money supply announced no Friday was more than the markets had expected and pushed M1 within \$300m of the top end of the Fed's target range. At the same time the credit markets have been given inasty reminder of the Federal government's borrowing needs

> Beginning today the Treasury oplans a series of rapid-fire auctions. First it plans to auction a total of \$11bn ln tomorrow will see \$47bn in fiveyear notes; on Wednesday it second is whether a lively second are whether a lively cash management bills; and on for the receipts.
>
> Thursday a further \$7bn in one-

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PROPERTY CONTRACTOR

Bridge ! Line

The onslaught adds up to another test of the markets' digestive systems and may well bull rally.

On a brighter note the credit markets bave warmly embraced as the media insist upon calling them, and CATS. Tlgrs ties) are two new forms of the old game of coupon stripping separating the coupon from a bond and selling the two as deeply discounted zero-coupon securities. .

In the past three weeks Tigrs and CATS with a face value of almost \$7bn has been launched aud, it is claimed by their proponenta have been snapped up mostly by institutional in-

The idea behind the Tigr and Tigr look-allkes is that the investment firm buys Government securities, places them in a bank on trust and then sells receipt against both the principal and against the interest paid out by the Treasury. Thera Tigrs which represent claims against the principal portion of the bond, and serial Tigrs which represent claims against the interest paid by the Treasury on the bonds.

ment representing compnunded interest payments when the Tigr matures.

The investment firms selling Tigrs like the issues because they can earn a handsome profit on the difference in the cost of the Treasury securities and the price they can get for the receipts. The Treasury is kept bappy because they increase the demand for its ontes.

Two major uncertainties persist bowever. First is the question of bow the issues will fare if interest rates do indeed stablise or start to harden. The

Barclays South Africa to move into home mortgages

BY BERNARD SIMON IN JOHANNESBURG

BARCLAYS National Bank, deposits. first bank to offer bome mortgages in direct competition is 58 per cent owned by Barclays Bank International of the UK.

The bank's move is an important escalation of the inbanks and building societies. It comes in the wake of their difficulty in attracting building society rates, which result in higher mortgage rates.

group, bas become the country's divisional general manager in ments at relatively low cost. charge of marketing, said that. Nonetheless, the new home "we saw a desperate need in loans will be available at a cost with building societies. Barclays the market place for these well below prime overdraft is 58 per cent owned by funda." It is estimated that rate currently 20 per cent. It is estimated that rate, currently 20 per cent. Barclays is prepared to commit Barclays is also offering larger

11 building societies advanced creasingly fierce competition in the three months to Juna. of a sharp drop in the societies' 17 per cent and 19 per cent, near-monopoly of the home mortgage advances as a result about 2 per cent higher than finance market but this would

are subsidised by the societies' South Africa's largest banking. Mr Ron Hayward, Barclays' ability to offer tax-free invest-

> as much as R500m to home amounts and longer repayment finance, about the same as the periods than the societies. Building society officials said the move may force them to Barclays' mortgages will raise deposit rates to attract carry interest rates of between more funds and protect their

Woolworths bid withdrawal row

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WOOLWORTHS OF Australia.

This follows separate meetings between Woolworths and Brntbers with the National Companies and Securities Commission la Melhaurne vesterday to clarify the legal position affecting Woolworths' withdrawal.

Wnnlworths withdrew after The withdrawal came nnly nouncement to Australian stock deacribed Woolworths man-markets this morning. eeuvre as "unbelievable."

This follows separate meet Woolworths said: "The extent

nf the Grace Brothers' downturn would make it exceptionally difficult for the merger companies to quickly hring about the operating and financial benefits on which the hld was structured."

which on Friday mare a surgrace Brothers announced a hours after the bid had been
prise—withdrawal—from its 24.8 per cent fail in profits for accepted by a clutch of heavyA\$186m (U.S.\$182.3m) offer for the year to July 31, to weight shareholders. These
rival retailer, Grace Brothers A\$13.87m. Mr Michael Grace, were Savona, backed by the
Holdings, is to make an anchairman of Grace Brothers, Singapprean hotelier and developer, Tan Sri Khon Teck Puat, Bond Corporation, the Adelaide Steamship Group, and the Grace family interests - cach with about 20 per cent.

Woolworths itself already controlled almost 7.3 per cent of Grace Brothers' capital and its action bas roused bitter

Boliden slips into the red at midway

By William Dullforce in Stockhulm

BOLIDEN. the Swedish metals and chemicals group, reports a first half pre-tax loss of SKr 112m (\$18.2m) against the SKr 125m profit earned in the first aix months of last year. The carnings plunge is attributed to the sharp fall in income from metals trading. a lower return from transport operations and a powerful

surge in costs.
Turnover declined hy
SKr 496m to SKr 2.29bn but the sales figure for the first balf of 1981 included SKr 552m from Supra the fertiliser company which has since heen sald to Norsk Hydro. An anspecified extranrdinary income of SKr 37m reduces the half-year loss to SKr 75m. Beliden bas revised down-

warda its 1982 earnings forecast for the second time this year. It now expects to make pre-tax prafit, including extraordinary items, no SKr 40m in the year as a whele. This compares with the SKr 303m reenrded last year and SKr 430m in 1980. The anticipated prints slump is blamed nn low metal prices, higher production costs and increased financial

Sime Darby profits dip but payout held

BY WONG SULONG IN KUALA LUMPUR

SIME DARBY, Malaysia's Western divisions, and tighter biggest non-oil company, reports control of costs, reduced profits for the year Robert Bradfo tain its dividend.

per cent to 2.73bn ringgit. The group had extraurdinary profits of 4m ringgit, compared with 167m ringgit last year off costs

when it sold its investments in Highlands and Lowlands, Guthrie Corporation and Amoy Canning. Half-way through 1981-82.

Sime's pre-tax and net profit respectively. The improvement in the aecond half came from better perform year. Last year's payouts were ances at the Tractors and 18 and 37.5 ccnls respectively.

Robert Bradford, the Western ended June 1982 but is to main-division insurance business. which . incurred substantial Net profit after tax and losses, together with Guy minority interests, was 92.6m Butler, a money broking firm, ringgit, representing a decline were sold in June. An extra-of 25 per cent. Turnover rose 3 ordinary loss of 11.9m ringgit was incurred, in addition to a provision of 294m ringclt, taken against reserves, for run-

Sime is to pay a final dividend of 6.8 cents, making an unchanged 10.8 cents for the year after adjustment for a one-for-four scrip issue.

However, final dividends at were 108m and 41.4m ringgit Consolidated Plantations and representing Tractors Malaysia were cut declines of 17 and 39 per cent. reducing payments to 14.3 and 30 cents respectively for the

Sasol raises earnings

ASOL, the South African nil-

from coal producer, reports pre-tax profit 23.4 per cent ahead at R347.8m (\$305m) for the year ended June, 1982.

The Sasol Two synfuels pro-The Sasol Two synfuels pro-

Sasni 3, ia scheduled to start producing liquid fuels shortly.

Sasol 2 was brought no stream half of the financial year while of 53.2 cents a share. For 1980 the third phase of the project, 1981 earnings were 44.4 cents a

BY OUR JOHANNESBURG CORRESPONDENT

ect came on stream in the first has been declared from earnings

dend of 20 cents was paid.

New directors for Chase Manhattan

Mr Philip Caldwelt and Mr Ralph E. Ward have been elected in the hoard of THE CHASE MANHATTAN CORPORATION add the CHASE MANHATTAN BANK, N.A., from September I. Mr Caldwell is chairman of the board and chief executive officer of Ford Motor Company, Dearborn, Michigan. Mr Ward Is chairman of the board, president and chief executive officer of Chesebrough Pond's Inc., Green wich, Connecticut.

 Mr Terry S. Boyce has oeen elected vice president—human rasources of ROCKEFELLER CENTER, INC. Mr Boyce was vice president—human resources for AM International, Inc.

MORTGAGE (THE MORTGAGE CORPORA-TION), Mr Richard A. Reed has been named vice-president of mortgage marketing. Mr Reed was formerly director of mortgage programmes.

• NATOMAS COMPANY has appointed Mr Biti Mnsfat senior vice-president for Natomas North, America. He will oversee accounting, control, sytems, long-range planning and oil and gas marketing, for the Naturas marketing for the Natumas petroleum subsidiary based in Houston Mr - Moffat joined Natumas as director of strategic planning in the company's corporate development division. planning and was named vice-president of the division in December 1979.

Mr Thomas B. Neville has been name vice-president for corporate development. Mr Neville joined Natomas as director of strategic

INTERNATIONAL APPOINTMENTS HOME LOAN board chalrman of the Swiss manager—coal for B.P. Aus-CORPORATION chemical company SIEGFRIED trails. Mr Robert A. Hanson, presi-

dent, has been elected chief executive officer of DEERE & COMPANY. He succeeds Mr William A. Hewitt, who has been nominated as U.S. Amhassador to Jamaica. Mr Hewitt will remain as chalrman of Deerc & Company until he is sworn in as Ambassador.

• Dr Dennis H. Eastland has iolned PROCON INTER-NATIONAL INC. in Des Plaines, IL, as deputy director of market ing-Far East.

● PETROLANE INC. has elected Mr B. Bruce Baldridge, executive vice-presidept, to its board of

 M.LM. HOLDINGS has appointed Mr Roger Marshall executive general mapager—coal. Another a lively rice president—human resources for AM International, Inc.

Nationas as director of strategic planing in the corporate development department.

Nationas as director of strategic planing in the corporate development department.

Nationas as director of strategic planing in the corporate development department.

Nationas as director of strategic planing in the corporate development department.

Nationas as director of strategic planing in the corporate development department.

Nationas as director of strategic planing in the corporate development department.

Newlands Coal Pty, Oaky Creek He is group chief executive and managing director, who has been panies.

Nationas as director of strategic planing in the corporate development developm



 ■ Mr W. J. Benson has been elected a director of NATIONAL

BANK OF NORTH AMERICA.

as director of its research labora-tory in New Jersey.

Mr Werner K. Rey, proprietor of Schweizerische Metallwerke Selve Holding AG, Thun, has joined the hoard of ATELIERS DE CONSTRUCTIONS MECAN-IQUES, Vevey, Mr Rey recently hecame the major shareholder of the company.

 CANADIAN AMERICAN
 BANK has appointed Mr Henri
 de Crouy-Chanel its managing
 director and chief executive ficer. He replaces Mr Jackson L. Schutte who takes up a new appointment at Northwest Banchrooration, the pareot of Canadlan American Bank. Mr de Crouy-Chanel has been managing director of the Luxenbourg office since 1979. He plans to maintain his headquarters in

• SONY CORP. of America has in London since 1974 and with appointed Mr G. A. Schipp, vice the parent since 1966, president of Zenith Radin Corp.

• The M. W. KELLOGG COM-• The M. W. KELLOGG COM-PANY and RUST INTER

PANY and RUST INTER-NATIONAL CORP, both members of the Kellogg Rust organisation, have made several changes: Mr David R. Rozeodale has been named executive vice-president and chief operating president and chief operating officer of Kellogg Rust, transferring to Houston from Birmingham, where he had been president of Rust International Corp. Mr Rodney C. Gilbert has been appointed president of Rust. Mr Donald C. Vaughn has replaced Mr Gilbert as executive vice-president of Rust. president of Rust. Mr Gary D. Jones has been named president of M. W. Kellogg Constructors but remains president of Rust Engineering Company, Mr Frank H. Shipman, Jr. chairman of Kellogg Rust and of The M. W. Kellogg Company, has assumed responsibility for all sales operations of the worldwide Kellogg group of design, engineering and construction management com-

FT INTERNATIONAL BOND SERVICE

Service Committee لمتنافقت يسيدن وم هُ فَي مُسْلِمُ مِسْلِمُ مُسْلِمُ مِسْلِمُ مُسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مُلِمُ مُسْلِمُ مُسْلِمُ مِسْلِمُ مِسْلِمُ مِلْمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ مِسْلِمُ - Service Strategy MA IN COURT Section 1. 100 . The section TO THE PERSON NAMED IN THE PROPERTY OF THE REAL PROPERTY AND ADDRESS OF THE PARTY AND

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FLOATING RATE Spread Ald Offer C.dte C.cpn C.yld

Average price changes .. On day 0 on week -0CONVERTIBLE Criv. Criv. Chg. Chg. BONDB data price Bid Offer day Prem

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Clusing prices nn August 27

EUROBOND TURNOVER (neminal value in \$m)

Cedel clear U.S. \$ bonds Previous week 5,636.87 9,920.8 Other bonds Last week..... 809.5 390.0 Previous week 748.3 632.7

t Four working days only. * No information availableprevious day's price.

† Only one market maker supplied a price. "STRAIGHT BONDS: The yield ls the yield to redemption of the mid-price: the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week= Change over price a week earlier.

FLOATING RATE NOTES: Denominated in dollars unless ntherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective Spread = Margin above six-month offered rate (1 three month; s above mean rate) for U.S. dollars. C.con = The current C.yld = The current

Internationale Krediethank Luxembourg: Algemene Bank Nederland NV: Pierson. Heldring and Pierson: Credit Suisse/Swiss Credit Bank; Union Bank of Switzerland; Akroyd and Smithers: Bank of Tokyo International; Bankers Trust International: Chase Manbattan; Clticorp Interoational Bank; Credit Commercial de France (Securities) London; Daiwa Europe NV: Deltec Securities (UK): EBC: First Chicago: Goldman Sachs International Corporation: Hambres Peabody Internalional: Merrill Lynch: Morgan Stanley International; Nomura International; Orion Royal Bank; Roheri Fleming and Co.: Samuel Mnntagu and Co.: Scandinavian Rank: Societe Generale Strauss Turnbull: Sumitamo Finance International: S. G. Warburg and

Co.; Wood Gundy.

All these Bonds have been sold. This announcement appears as a matter of record only



Province of Newfoundland

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(Canada)

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The Financial Times Desk Diary is the ideal investment for 1983. It is the business diary by which all others are judged and the one that pays dividends every day of the year.

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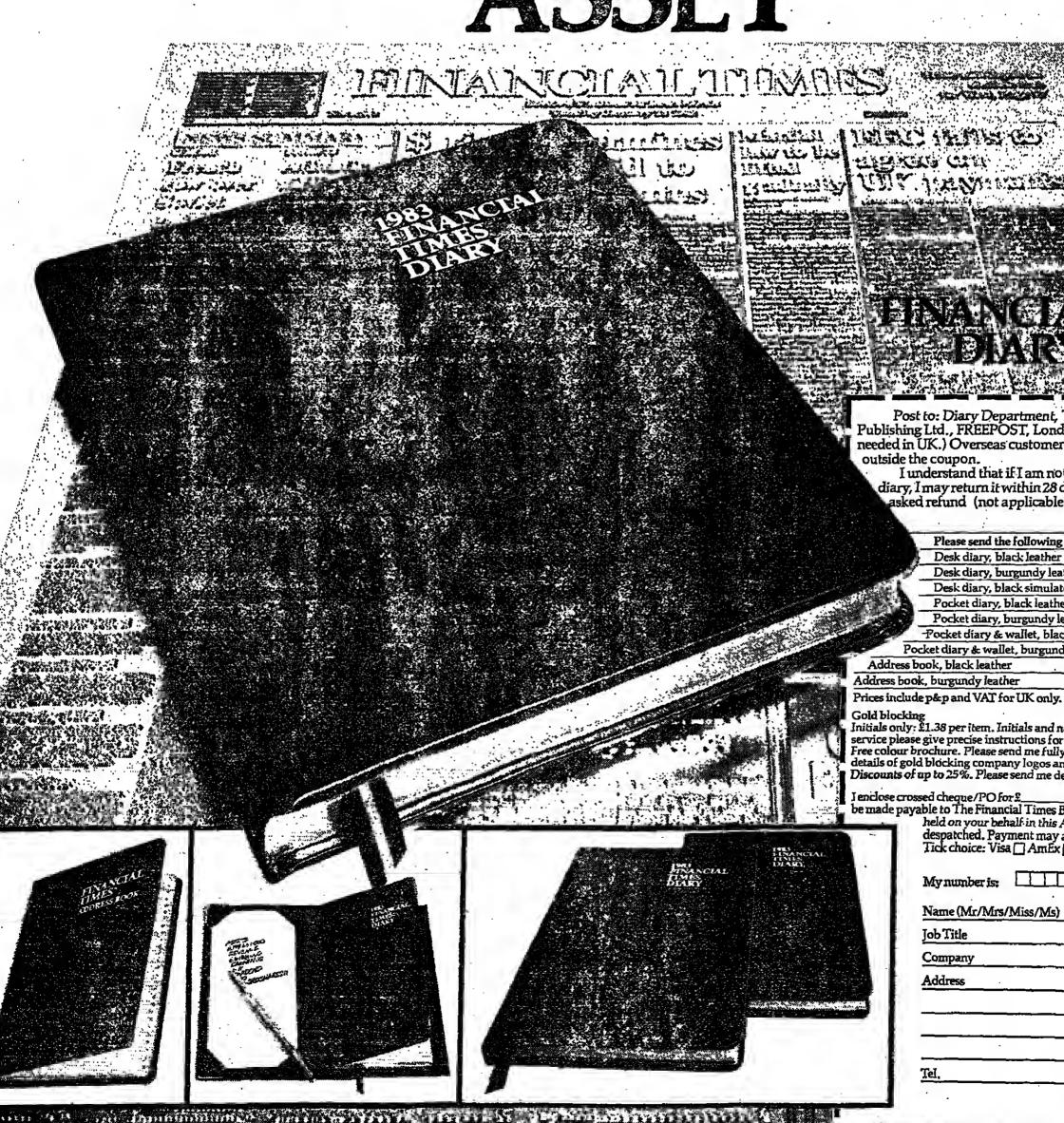
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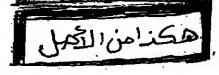
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are prepared-albeit somewbat

reluctantly—to offer sets of blue prints of different cabin

designs for between \$500-\$600.

The North American log

house industry is estimated to

have an annual turnover of

BUILDING AND CIVIL ENGINEERING

Approval for KWU 'convoy concept'

KRAFTWERK UNION AG February of this year with con-(KWU), West Germany's lead-struction of the first reactor at ing nuclear power plant Biblis starting in the spring designer and builder, bas finally But suff opposition from received a green light for its environmental groups and some streamined nuclear plant plan- parts of government delayed ning procedure, the "convoyfinal approval until this month,
concept," which allows for the

As a result sita preparation design and building of a series work has now begun on the first of stations based on the same convoy nuclear power station-

ary range

4.15

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MES

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•

basic plan. Until now all West German ments of the individual site and Approval has also been given the level of technology avail- for a second convoy station at able at the time of its concep- Emsland where work is to begin tion. Moreover, the original shortly Approval for two other designs have been subject to stations in the series, at Neckarchange throughout the construction period in order to incorpated later this year, porate the latest advances in The leading project safety and operating technology.

This has generated significant time delays and escalated construction costs. It bas also made is virtually impossible for the nuclear construction industry to standardise its technology and between Isar-Amperw led to an explosion in planning Stodtwerke Munchen.

In 1974, for example, the Biblis nuclear power station needed 2,000 planning and design documents. However, the Grafenrheinfeld nuclear power station, commissioned this year,

needed 15.000. To overcome these problems KWU proposed a standardised construction programme whereby a series of nuclear

the relevant licensing authoriand constructors to produce more rational, standardised designs and work practices. The

KWU presented it convoyof six nuclear power stations ting corners.

As a result sita preparation a DM 5.4bn (£1.25m) 1,350 MW pressurised water reactor at nuclear power stations have Ohu near Landshut. Known as been built on a one-off basis to Isar 2, it is planned to come on meet the specific safety require-

Westheim and Biblis, are antici-The leading project developer

in the Isar 2 station, at 40 per cent, is Bayernwerk AG and further 10 per cent is taken by its subsidiary Energleversorgung Ostbayern AG. The remainder is split equally between Isar-Amperwerke and

On the construction side, occounting for 20 per cent of the total project, the leading contractor is Dyckerhoff & Widmann. Other contractors are Hochtief AG, Heitkamp GmbH and Billinger + Berger Bau-AG. Although the convoy concept

was developed mainly to meet a West German need, KWU is hopeful that the experience will help it gain foreign contracts power statious could he built when the world market for over a limited time scale to the same basic design.

According to a KWU spokes-This it was argued would man West German nuclear enable more rapid approval by power stations offer a 10 per cent greater availability than. ties and enable the designers either U.S. or French built plants, but that KWU cannot compete with these countries on designs and work practices. The the basis of price, Lessons result would be faster construction time and cheaper largely based on the French system of standardised nuclear concept to West Germany's plant construction, could help Federal and State authorities KWU to trim its costs on for the construction of a series foreign contracts without cut-

OVERSEAS CONTRACT

in association with Saudi Arabian consultants are to prepare fresh consultants Dar Al Riyadh to designs for additional developstudy and update sewerage and stormwater designs for the city ties originally planned are to be

Previous design work carried the new city limits, and work out by others in the mid-1970s is to be revised and updated to carry out phase-two in the preparation of a presist to be revised and updated to carry out phase-two in the previous design teatures and linked to any adjacent shopping centre, it will be one of the fully autoping

Approval has also been given

TOM SEALY

and approval was expected in

BALFOURS has signed a contract densities and water use. The

In Holborn, where Y. J. Lovell (London) is building a £7.6m development for Prudential Assurance, the contractor is now ment areas on the city outskirts. The sewerage treatment facilito fit out the bank included in the scheme for Barclays which bad a branch in the previous buildings here. relocated some 20 km outside

Back to nature—American style

can bome builders to do rather depressed European housing market. Until recently, lng cabin construction in the U.S. was undergoing a major revival encouraged by the "back to nature" ecology movement, the socially mobile high-income earners looking for a trendy "country seat." and first-time buyers looking for a hospitable initial step onto the housing ladder. High interest rates and the subsequent recession have suspended all of that.

When things are bad at home, you naturally look further afield and, when it comes to long cabins, well surely Europe (the true originator of the log abode) is a safe bet. Or so some people thought.

One disappointed and perplexed log cabin manufacturer who recently visited Germany summed up the European re-action thus: "Back home we think it's romantic genting back to our roots but here a lot of people think lts plain primitive—

something that went out of fashion with the Vikings."

UK CONTRACTS .

At Watford, Farrow has started on a four-storey office block for

Alliance Assurance under ao 83-week controct worth £4.5m,

Developed for the client's own use, this is situated on the corper

of Clarendon Road and St Jobn's Road and will include an integral

car park on five levels with space

£2.3m redevelopment at Wigmore

Street for Howard de Walden Estates, and £1.5m worth for

Barclays Bank at Ealing Broad-

Other work for Farrow is a

the work.

for 187 cars.

fashion with the Vikings."

Another manufacturer, Green erally bew one out of the suraccording to Lynn Marshall of 2-bedroom kit from Green Mountain Cabins of Chester, rounding landscape, whereas Vermoot, suggests that the the less adventurous with more says the most appealing aspect which includes all the necessary

CONSTRUCTION group have nerab, Berkahire. The company secured more than £8.2m worth is responsible for the design

of new contracts with Farrow management and construction Construction winning the bulk of and has already started work

Lovell companies win £8m plus

March next year.

COMPANIES in the LOVELL ing at Winnersh Triangle, Win-CONSTRUCTION group have nerab, Berkahire. The company secured more than £8.2m worth is responsible for the design DER HALL & SON (BUILDERS)

with completion expected in

March next year.

The job involves fitting out an existing 110,000 sq ft building to provide customer support facilities including electronic workshops, admin offices, plus staff and social facilities.

Except for the warehouse area.

the building will be finished to office standards with suspended

ceilings, demonotable partitions and vinyl or carpeted flooring.

Services will include air condi-tioning and sprinkler fire pro-

CHESTERFIELD'S new central

library in New Beetwell Street in being built by FORD AND

WESTON at a cost of £2.5m. The

3,960 square metre, six floor building, is said to incorporate many nuusual design features

THE DEPRESSED U.S. housing relative scarcity of wood in money to space can buy their of a log bouse, however, is its 8 inch diameter milled spruce market has forced some Ameri- Europe is a natural handicap Daniel Boone-style abode off energy efficiency. to log cabin popularity, and that the shelf from over 25 major strange things, such as trying not one of their quotes has log cabin manufacturers in the to sell log cabins to an equality materialised into a European U.S. The kits can range from depressed European housing order yet. Doubtless, some simply 60 or 70 graded logs to bead-scratching and accusations packages with all the interior of poor marketing follow every timbers supplied. unsuccessful foray into new

markets, but the key problem is that Europeans view log cubins as vacation bomes and, as such, do not have the same advantages of caravans/mobile Advantages The Americans argue that the

advantages inherent in log homes (the term "cabin" is little used in the industry since for a large structure. potential customers associate it with shack") are those very things which many people seek, and do not find, in modern houses such as speed of construction, low maintenance, high energy conservation, low total cost, poten-tial for large DIY element in the construction and a flavour of individuality in the finished

Log houses appear in multi tudinous forms, Daring handymen with a lot of time and timber on their hands can lit-

A pre-cut kit log house of about 1,000 square feet floor area will require between only four to 10 days for assembly. Large floor areas and site conditions will extend the time marginally. The primary design constraint in log house construction is the length of the individual log. Anything above 30 ft in length is difficult and more costly to obtain in sufficient quantities

Once the logs are in place, a water repellant is applied (ond renewed every 3-5 years) while most manufacturers recom-mend that an oil based penemend that an ou based pene-trating stain be used also (every 5-10 years) as added protection. Following this maintenance programme, a log house will bave an esti-mated life span of 100 years,

industry sources shay.

Low maintenance is major attraction for many American elderly couples who purchase log cabins as retirement homes,

has four new awards together worth £1.2m, split between oil

related compaoies (Shell and Stangate Weld-All) and local

authority work (20 houses for Badenoch and Strathspey DC)

The company also has a deal to

hulld an advance factory at North Kirkhill for Grampian

HARPER & TUNSTALL has won

ao order worth £77,000 for dye-

lice and micrographic equipment ond supplies for the £400m

ethylene plants being huilt at

Mossmorran, Scotland. The order was placed by the Lummus Com-

pany which is building the plant

PRESS CONSTRUCTION has

won a contract worth £600,000 to carry out phase-two in the

Regional Council.

for Esso Chemicals,

log wall, according to Steven Winter & Associotes, a New York building systems consultancy, will have an "R" value (or resistance to heat flow) of 11.7. A standard conventional wall with 31 inches of fibreglass insulation in it has an R value of about 13. Log walls bowever store and radiate solar energy in addition to being an insulator and cannot thus be readily compared with a clinical laboratory test, it is claimed, whereas the mass of the log itself increases the R rating by a minimum of two full points.

ferent insulating factors. White cedar for example bas an R value of 1.54 per inch of thicknesa spruce bas a 1.40 rating. red pine is 1.21 and Southern yellow pine is 1.08.

Total cost

Total cost of a log bouse depends on such varied factors as wood type, amount of fin-ished/semi-finished timbers in the package, shipping, and site accessibility.

bers, Interior timber fixtures

Mountain Cobins, for example

A nine-inch diameter seasoned

such as doors, sub-floor, windows (but not stairs) and base boards. The Green Mountain logs are cut flat on two sides and linked logether with a metal extrusion which acts as a sealant and integral joint. Other companies use traditional tongue and groove milling, or waterproof compounds to make the structures water and air

Different timbers yield dif-

to be used in both fields and has already proved valuable in all forms of access seaffold-

ing to the anderside of floors.

bridges and offshore plat-

THE RESIN marketing manager of BIP Chemicals,

Mr Stuart Brindley, says be believes that "the long term prospects for UF foam eavity

wall insulation in the UK are still good," in answer to

recent adverse publicity on

eavity foam.

Many of the log houses coo-structed in the U.S. are custom designed for individual require-ments and needs. Off-the-sbelf models do exist and Green

the owner/purchaser.

A NEW scaffold system where the fumes have cansed romplatots. BtP Chemicals say the foam has several odvan-tages over other forms of cavity wall insulation, mainly that it is cheaper to install and, unlike polystyrene beads, is non combustible. specially developed for the Norwegian market has been lannehed by British DSL Group'a first multi-national scaffolding company, DSL a-s-Norsk Stillasutiele. is non combustible. Spriteboard is suitable for heavier loading associated with sboring and false work, (021 552 1551). vet is light and easy to handle for access jobs. It is designed

WORK HAS just begun on International Airport. Custom-designed elec-tronles circuit for use in

military applications and by other divisions of the Corporation will be built at the 192,000 sq ft structure expected to be completed in January 1984.

New formulations which will reduce the emission of formaldehyde fumes from foam as it dries are being developed. Despite the pub-licity given to the few cases

S1bn. Over the past decade it has Onsite assembly and proper managed to overcome many fitting out of the house to prejudices and bandicaps such generally accepted standards of as bank or building society reluctance to finance projects comfort add a further minimum other than "progressive con-struction." With a log house, 100 per cent cost to the basic kit price. Thus the \$25,000 bome will cost at least \$50,000 (or you must pay for it first, then perhaps as bigh as \$75,000) on build it later. Nevertheless the future of log completion. European or Asian readers who purchase such a kit from American suppliers

houses depends greatly on the more traditional building forms and, most important, their relawould have to add an extra \$4,000 for shipping costs. (Green Mountain's normal tive costs. Log cabins offer a wonderful second home option. catchment area for orders is but in Europe there seem to be very few people with the courage (or the support of a bank manager) to invest the equivalent of £30,000 exclusive of land in a log house when 1.500 mile radius.) Substantial savings of about \$10,000 are possible if a major portion of the assembly work is done by cheaper bricks and mortar can do the job just as well.

Green Monntain Cabins, Box 190, Chester, Vermont 65143. Tel: (802) 875 2163. PAUL HANNON

Around the industry

from the company at Popes Lane, Warley, West Midlands

the new \$30m McDonnell Douglas Microelectronics Centre on Airport Road east of the company's world head-quarters at Lamhert-St Louis

NEW COMPANY Norwest Stanton, formed by Stanton and Stavely and Norwest Holst, will carry out maintenance and renovation of sewers and water mains following its formation on September I. Its services will range from assessment and design to repair and replacement of these huried assets.

SREPHERD BUILDING Services, said to be the lorgest unquoted builder in the country, has brought its central functions together at Frederick House, Fulford Road, York, a building originally constructed in 1958 for the Property Services Agency of the DoE.

THE NEW 1982 C & CA Catalogue, Part I, which lists advisory and information pub-lications, slide sets and films available from the Cement and Concrete Association, is now available from the association at 52, Grosvenor Gardens, London, SWI.

THE CEMENT and Concrete Association has a new tech-nical report "Design of floors on ground" (ref 42.550) hy J. W. E. Chandler, available at £3.00 from Publications Distribution, C and CA, Wexham Springs, Slough.

Sergeant J*n*k*n was hit on the head



he lost his reason

After 3 years in the last war, after keeping the peace in Kenya, after seeing through the evacuation of Aden, during o tour in Northern Ireland Sergeant J "n "k" n was hit on the head. With a stone.

He lost his reason.

He has been with us ever since he was invalided home. Sometimes in hospital, sometimes in our Convalescent Home—wherever he is; we look after him. One day, he'll probably enter our Veterans' Home for good, still thinking that the next man in the street is about to attack him.

Every year brings in more and more deserving cases like Sergeant J*n*k*n. For those who are homeless and cannot look after themselves in the community, we provide permanent accommodation in our Hostel. And every year our costs go up.

If we are to survive, we must have more funds. We're doing everything we can, but in the end it depends upon what you can

They've given more than they could please give as much as you can?

EX-SERVICES MENTAL WELFARE SOCIETY

37 Thurloe Street, London SW7 2LL. Tel: 01-584 8688



Bank & Treland U.S. \$50,000,000

Floating Rate Capital Notes 1989

In accordance with the provisions of the Notes notice is hereby given that for the three months interest period from 31st August, 1982 to 30th November, 1982 the Notes will carry an Interest Rate of 1116% per annum. The interest payable on the relevant interest payment date, 30th November, 1982 against Coupon No. 12 will be U.S. \$27.96.

By Morgan Guaranty Trust Company of New York, London

Agent Bank

The second secon

COMPANY NOTICES

J. Rothschild Investment Holdings B.V. tibe "Company", formerly called Rothschild Investment Holdings B.V.(

outstanding £10,490,000 14% per cent. Bonds due 1990 of the Company (the "Bonds")

constituted by the Trust Deed dated 21st August, 1980 (the "Trust Deed") between the Company, the Guarantur and The Law Debenture Corporation p.l.e., (the "Trustee") as trustee (or the holders of the Bonds (the "Bondholders")

Notice of modification of rights relating to the Books

the recommended offers dated on April, 1982 by The British Linea Bank Limited on behalf of RIT and Northern p.l.: "RIT and Northern" formerly called The Great Northern Investment Trast PLC to accurate the whole of the fully paid share capital of the Guarantor not their already owned by a having been declared unconditional on 12th May, 1982, the Guarantor is how a subadiary of RIT and Northern:

in order to simplify the hormwang structure of the enlarged group and in Lacilitate the transfer of assets by the Guaranto-tin kHT and Northern, the Compant, the Contanto-tin kHT and Northern have requested the I move to concur in a modification to the Trust Deed in oil in girl at the giving of a guarantie in respect to the Bonds by RIT and Northern in addition to but trimmediately pract to any members' columnary winding up of the Guarantor in substitution for the release of the guarantee in respect of the Bonds given by the Guarantor, thy an in rense with effect on and from 15th August, 1982 in the annual rate of interest on the Bonds of 's per cent, and (s) the introduction of a prohibition on the disposal twithout the consent of the Trusteer of assets by RIT and Northern and its subsidiaries to any holding company of RIT and Northern; and 131 the Trustee, advised by J. Henry Schooler Wage & Co. Limited, heap of the opinion that the modification mentioned in 13 above is both proper and in the interests of the Boodholders has concurred in such modification in accordance with its powers under the Trust Deed Such modification is contained in a First Supplemental Trust Deed sade between the Company, the Guaraniror, RIT and Northern and the Trustee dated 27th August, 1982, which had immediate effect. Accordingly, the amount interest potential on 15th August, 1983 and on each 15th August thereafter will be at the rate of 1,145,00 per Bood of 11,000.

Particulars of the Bonds as so modified are available in the statistical services of Extel Statistical Services Limited. The Company will promptly month the Bondholders of the date of the commencement of any members. Authority winding up of the Guarantor, Any Bondholder who wishes to Inspect captes of the Trust Deed on the First Supplemental Trust. Deed mentioned above or to obtain a copy of the Terms and Conditions of the Bonds as so modified may do so at the specified offices of the Paying Agents listed below.—

PRINCIPAL PAYING AGE: T The Chase Manhattin Bank, N. L. Wonlgale House, Coleman Street, London EC2P 2HD,

PAYING AGENTS
Banque de Commerce S.A.,
51.52 Avenue des Aris,
G-1040 Brussels.

Dated 51st August, 1982.

J. Rothschild Investment Holdings B.V.

AZIENDA AUTONOMA DELLE FERROVIE DELLO STATO

U.S. \$250,000,000 Floating Rate Notes 1988 Convertible until February 1986 into 91/4 per cent. Bonds 1992

For the six months period 31st August, 1982 to 28th February, 1983

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 1215 per cent per annum, and that the interest payable on the relevant interest payment date, 28th February, 1983 against Coupon No. 5 will be U.S. \$303-24.

S.G. Warburg & Co. Ltd. Agent Bank

Council of The Stock Exchange

ASESORES DE FINANZAS, S.A. DE C.V.

Short term Notes Issued in Series Under a US\$300,000,000 Note Purchase Facility Agreement

Guarantaed by Citibank, N.A.

Issue Price 100 per cent

Citicor's International Bank, S.A. has agreed to subscribe or procure subscribers for the Notes as provided in the Note Purchase Facility Agreement.

The Notes, in the denominations of UST 0.000 and USS 0.000,000 each, will be issued in Series of between USS 25.000,000 and USS 0.000,000 each, application has been made for the Notes to be admitted to the Official List of the Stock Exchange of the Idelted Kingdom and the Republic of Ireland, subjectionly to the Assue of the Notes with the USS 0.000,000—Series 0.2 and USS 0.000,000—Series 0.3 issued under the Note Purchase Facility Agreement will carry an interest rate of 13.50% per annum, 10.75% per annum and 11.125% per annum, respectively. The Maturity Date of Series 0.1 will be 16th February, 1923, or Series 0.2, will be 16th October, 1882 and of Series 93 will be 16th November, 1982, Particulars of the Notes and of Agesores de Finanzas, S.A. de C.V. and Citibank N.A. are available in the statistical services of Ertel Statistical Services and may be obtained during formal business hours on any weekled ay Saterdays and public holidays excepted up to and including 14th September, 1982 from:

31st August, 1982.

CITY OF BERGEN

US\$10,000,000

51% 20-YEAR EXTERNAL

LOAN OF 1964 Hambros Bank Limited advise that the notice to bondholders of the above issue that appeared on 25th August 1982 should have

stated a purchase amount of US\$313,000 (nominal) and not US\$848,000 (nominal). HAMBROS SANK LIMITED

THE SCOTTISH **AGRICULTURAL SECURITIES** CORPORATION B.I.C.

10:1% Debenture Stock, 1989-91 Notice is hoteby given that the REGISTERS of the CORPORATION'S above mentioned Oebenture Stock will be CLOSED for TRANSFER and REGISTRATION from 18th to 29th September, 1982 both days inclu-

FINANCIAL TIMES PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracton House, 10 Canson Street, Landon EC4P 48Y. Teles: 9954871. Teles: (Advertising) 885033, Telephones: Finantine, Landon Telephone: 01-248 8000. Finantine: Office: The Financial Times (Europe) Ltd., Galoliettstr. 54, 0-6000 Finantiart-en-Maid 1, West Sermany, Teles: 426193, Telephone: 7598-0. Editorial: Frentumalise 72-53, Telephone: 7598-0. Editorial: Frentumalise 72-53, Telephone: 7598-0.

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Estenburgh: Editorial and Advertising 37 George Street, EH2 2191, Tales: 72484. Editorial Tel: 031-226 4120. Advertising Tel: 031-226 4139. Frankfurt: Editorial Frankestalee 71.81. Telez: 416052. Tel: 7578 157. Advertising Guioliettstr. 54. Telez: 416193. Tel: 7578-0. Geneva: 15 rue du Cendrier. Telan: 22589. Tel: 311604

Hessy Kong: Room 507a, Pedder Building, Pedder Street, Central. Telex: 75204 HX. Tel: 5-235166. Johannesburg: P.O. Sux 2126, Talon: 8-6257, Tel: 838-7545. Lickon: Prace de Alegriz 58-10, Lisbon 2. Teles: 12533. Tel: 362 508.

Paris: Effortal and Advertising Centre of Arteins Le Lauve, 166 Ras de Rivell, 75044, Paris Gader Ol. Teles: 220044. Tel: 297 2000. Ris. de Jacelro: Rio Branco 45, Salar 2611-2612, Centro BGP 20090, Rio de Jacelro RJ Brazil. Tel: 263 8845. Telez: c/o Renters. Rume: Editorial Via delle Mercede 55, Telex: 61,0032, Tel: 678 353.4. Stockholm: Editorial Svanska Dugbindet, Rapierabsvages 7, Tales: 17603, Tel: 50 60 88. Telegie: Effisheld 8th Flaor, Niton Kakal, Sklednus Balliding, 1-9-5 Unarmeth, Ethyada-ku, Fize: 245 (0358. Tel: 240. 2920. Advertising Kanalusra Balliding, 1-6-10 Uchilicanda, Chiyada-ka. Telez: 127104. Tel: 295 4050.

New York: Editorial and Advertising 75 Ractionalise Plans, N.Y. 10019. Editorial Toles: 64390. Tel: (212) 543-4625. Advertising Teles: 238409. Tel: (212) 489 8300.

Washington: Editoria 1171 National Press Bullelog, Washington D.C. 20045. Teles: 44(340, Tel: (202) 347 8676. For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

CONTRACTS AND TENDERS

PETROLEO BRASILEIRO S.A. **PETROBRAS**

RIO DE JANEIRO - BRAZIL ANNOUNCEMENT OF COMPETITIVE **BIDDING SUPEX-07/82**

PETROBRAS announces the opening of a competitive bidding for petroleum exploration in Brazil onshore and offshore, through service contracts with risk clause. Companies interested in such a bidding are requested to supply, on application, evidence of technical and financial capacity, as well as experience and tradition in exploration

and development of petroleum fields. Application forms rao be obtained at any of the following addresses where they are to be returned until October 1st, 1982:

 Avenida Repoblica do Chile, 65, 18° andar, sala 1858
 Rio de Janeiro—BRAZIL.
 2nd Floor, 77 South Audley Street, London W1Y 5TA, ENGLAND. -12th Floor, 1221, Avenue of the Americas, New York

10020, U.S.A. -Suite 409, 5433, Westheimer, Houston 77056, U.S.A. --66, Avenue des Champs Elysées, Sème étage Paris 75008-Rio de Janeiro, September 1st, 1982.

Superintendência de Contratos de Exploração

SUPEX

WANDSWORTH BOROUGH COUNCIL

GARDEN MAINTENANCE CONTRACT The Wandsworth Bolough Council is considering obtaining tenders for the Garden meintenance work on its housing estates and other Council eries to commence in March 1983. The walk which is apread throughout the Scrough involves a mobile work fotce and the use of both large and small machinery.

volves a mobile work total and ine use of both largo and small mechinery.

Any firm wishing to be considered for inclusion on the Couscit's lest of approved tendeurs for this work is esked to make an application within the naxl 21 days giving the following information:

1. Length of time the controctor has been established contracte carried out 3. The names and addresses of local authorities or other companies for whom they have worked

4. The name and address of benkers from wha linancial references mey be obtained.

The application, quoling
Reference FT, should be
addressed to:
Mr L. T. Gerratt
Director of Recreation
Wandsworth Borough Council
Wandsworth Town Hell
Wendsworth Kigh Street
Loodon SWI8 2PU If the Council decide to go sheed, tender documents will be sent out in the middle of Novomber.

TRAVEL

THE SUN SHINES THE SUN SHINES

All the lisne in the West ledies
We have a selection of 199 too quality
crewed hoats that we have personally
inspected based in Antibua and Sc.
Vinchet, We have coloured photographs
of the boats and crews and will be
happy to give suffice and strange traval.
Prices from £26 per head per day.
Rino or write Patrict Boyd:
Campac & Nicholson Yache Agenty.
16 Regency Street, London SWIP 40D.
Tel: 01-421 1541
Or Talex 918978 NICLON

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SCHILLER

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Also evening classes in London &
Central Paris (Tel: 551-04-83)
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Economics, Psychology, etc.

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THE GASLIGHT OF ST. JAMES'S. London's most exciting businessman's night clob. No membership needed. 2 hars, dozens of danceable companions, intriputno Cabaret Acts. Happy hour 8-9 pm, if required, saperb three-course dienel, only £9.75, elus service and tex. Entrace for £5.75 (£5 relanded to diners orderino before 9 pm; Open Mon. Fri. 9 pm·2 am, 5at. 9 em-2 em. 4, Duke of York Street,

EVE has outlived the others because of a policy of fair play and value for money. Supper from 19-3-30 am. Disco and too musicians, Siamorous hostesses, exciting floorshows. 189, Regent St. 01-734 OSS7.

HAMOVERIAN NIGHTCLUE and Res., 9 Hanover Street, WI, Where today's businessman can onjoy an exciting and relaxing evening. Cliarming and discreet decing partners available eightly 9 pm-3 em, Recommended to ring for res, ed 01-408 0258. 0

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\$200,000 5 per cent. Irredoemable Debenture Stock £1,081,564 81 per cent. Debenture Stock 1982/87 £350,000 7 per cent. Debenture Stock 1984/86 £233,000 7 per cent. Debenture Stock 1986/91

£750,000 72 per cent. Debenture Stock 1984/86 £421,865 7 per cent. Debenture Stock 1986/91

The Council of The Stock Exchange has admitted the above-mentioned debenture stocks to the Official List. Particulars of the debenture stocks are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during normal business hours up to and including 14th September, 1982 from:—

> S. G. Warburg & Co. Ltd., 30 Gresham Street, don ECIP LEB

12 Tokenhouse Yard London EC2R 7AN

31st August, 1982

Leing & Craickshank, 15th Floor, The Stock Exchange,

Parsons & Co., 100 West Nile Street Glasgow G1 2QU

TO THE HOLDERS OF

DENNY'S INTERNATIONAL N.V.

51/2% Subordinated Guaranteed Debentures Due 1989 (Guaranteed on a subordinated basis by and convertible on and after October 1, 1969 into Common Stock of Denny's Restaurants, Inc.)

You are hereby notified that pursuant to the provisions of Section 4.04 of the Indenture Dated as of March 1, 1969 between the Company and Denny's Restaurants, Inc. (now Denny's Inc.), Guarantor, and Bank of America National Trust and Savings Association, Trustee, the price at which Debentures may be converted into common stock of the Guarantor has been adjusted and that the new conversion price is \$26.28 principal amount of Debentures for each share of common stock. Details of the computation of the new conversion price are on file with the Trustee.

Dated: August 31, 1982

Denny's Inc.

Financial Times Conferences

WORLD FINANCIAL FUTURES

London - September 13, 14 and 15

This major meeting has been arranged to precede the opening of the London International Financial Futures Exchange. The conference will analyse developments in financial futures markets worldwide and will feature papers by Mr John Sandner from Chicago Mercantile Exchange; Mr John Blin, New York Futures Exchange; Mr Michael Jenkins, LIFFE; and Commissioner Susan Phillips. CFTC.

EUROPEAN BANKING London — October 18 and 19

To be chaired by The Lord Roll of Ipsdem, Chairman of S. G. Warburg & Co.; The Rt Hon Lord Chalfont, Board Member of Lazard Brothers; and Professor F. Ventriglia, Chairman of Isveimer, this major European Banking conference will be of particular interest and value to bankers and corporate treasurers operating in Europe. The principal speakers will include: M. André de Lattre, Crédit National; Mr Nicholas Ridley, Financial Secretary at the Treasury: Dr Giovanni Magnifico, Banca d'Italia; Dr Manfred Meler-Preschany, Dresdner Bank AG; Dr Rinaldo Ossola, Banco di Napoli; Dr Robert Sutz, Union Bank of Switzerland; and Mr Lawrence J. Brainard, Bankers Trust Company. The evect will be co-sponsored by The Banker and Isveimer.

All enquiries to be oddressed to:

The Financial Times Limited Conference Organisation Minster Honse, Arthur Street London EC4R 9AX

Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONF LONDON

BUSINESSMAN'S DIARY

Date

UK TRADE FAIRS AND EXHIBITIONS

ı	Sept 58	International Hardware Trades Fair (0727 53213)
	Sept 59	International Watch, Jewellery, and Silver Trades Fair (01-643 8040)
	Sept 5-12	International Air Show (01-839 3231)
	Sept 6-9	Offshore Europe Exhibition and Conference
	Sept 7-10	Label, Labelling, Marking and Identification Industry Exhibition—LABELEX (01467 7728)
	Sept 7-10	International Carnet Fair (021-705 6707)
	Sept 12-16	International Woodworking Industries Exhibition —IN/IE (01-486 1951)
	Sept 12-15	MAB International Menswear Fair (0727 63213)
	Sept 13-18	International Boat Show (0703 32345)
	Sept 14-16	Coll Wiodiog International 82 (0202 891339)
	Sept 19-21	National Bakers' Buying Fair (01-446 2411)
į	Sept 21-23	Harrogate Fashion Fair (01-637 2400)
	Sept 26-28	British Footwear Fair (01-739 2071)
	Sept 27-29	Construction Industry International Exhibition and Conference (01-242 3771)
	Sept 27-Oct 1	Furnaces, Refractories, Heat Treatment and Fuel Economy Exhibition (0737 68611)
	Sept 28-Oct 6	Good Offices Exhibition (01-631 4547)
	Sept 28-Oct 1	London Business Show (01-647 1001)
- 1	2	

Earls Court Aberdeen NEC, Birmingnam Harrogate NEC, Birmingham

Earls Court Southampton Wembley Conference Centre Barbican Harrogate

Imperial College, London NEC, Birmingham Cutlers Gardens, EC2

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current	Cont 13
Current	Fashion Samples Fair—INTERCHIC (01-749 3061) (until Aug 31)
Sept 47	Women's Ready-to-Wear Clothing Show (Paris (1) 368-08-40)
Sept 6-11	International Shipbuilding Marine, Small Ships and Fishing Exhibition (021-705 5707)
Sept 11-16	International Public Works Congress and Equip- ment Show '82 (01-637 2400)
Sept 14-18	International Electrical Technology Fair— FINNTECH (01-486 1951)
Sept 14-22	International Autumn Fair 101-486 1951)
Sept 21-23	International Exhibition and Conference for the Pharmaceutical, Cosmetics, Toiletry and Allied Industries—INTERPHEX (021 384 3384)
Sapt 22-24	International Coal Technology Exhibition and Congress—Europe '82 (010 29 96 55)
Sept 28-30	International Petroleum Exhibition and Conference OEPC (01-875 2700)
Sept 30-Oct 7	International Mechanical Handling Equipment Exhibition—INVIA (01-486 1951)

Frankfurt Berlin Paris Houston Helsink Zagreb

New York Copenhagen Denver

BUSINESS AND MANAGEMENT CONFERENCES

	Ang 30-Sept 1	formance teams (02 219 03 90)	Brussels
	Aog 31-Sept 2	FT Conference: Aerospace enters a new era	C
	Sept 1	John Oftenscoser: Tax planning — New	Grosvenor
		Opportunities for the Professions (01-499 8281)	Savoy Hot
	Sept 6-8	Frost and Sullivan: Data communications: advanced coocepts and systems (01-486 8377)	Mount Roy
	Sept 7-10	Industrial Relations Services: Law for personnel	MUNIC ALOS
İ		industrial relations and works managers (01-328 4751)	Royal Hor
	Sept 9-14	The Textile Institute: Textile machinery-Investing	MUYAT HUL
į	Sept 13-14	for the Future (061-834 8457)	Palace Ho
ļ		CAM (01-486-S377)	Mount Ros
	Sept 13-15	FT Conference: World Financial Futures (01-621	
Ì	Sept 17	Institute of Directors: The London International	Lendon Pr
ı		Financial Futures Exchange (LIFFE) (01-839	Dall Mari
į	Sept 21	Hoare Govett: Financial futures seminar (01-353	Pall Mall,
i	Sept 21-23	1090)	Plasterers*
Į	Sept 21.20	Metal Bulletin Congresses: International Aluminium Congress (01-330 4311)	Monte Car
ļ	Sept 21-22	Lloyd's of London Press: Charter-parties (01-353	
ı	Sept. 23	1000) Energy and Engineering: the market for engin-	London Pr
ŀ		eering equipment systems and services for.	
i	Cont 20	nffshore structures (01-438 9021)	Albany Ho
ļ	Sept 29	In the 30s (0224 20265)	Holiday In
١	Sept 30	CBI; The management of chaoge (01-379 7400) FPA: Industry North's fire problems (01-248 5222)	Centre Poi
	Oct 1	IFEAT international conference on essential nils	Harrogate
		and aroma chemicals (01-486 6757)	Royal Gard

Anyone wishing to attend any of the above events is advised to telephone the ensure that there has been no change in the details published.

Grosvenor House, W1 Savoy Hotel, WC2 Mount Royal Hatel, London Royal Horseguards Hotel, Ldn

Palace Hotel, Lucerns Mount Royal Hotel, W1 London Press Centre, EC4 Pall Mall, SW1

Plasterers' Hall, London Monte Carlo London Press Centre

Albany Hotel, Glasgov Holiday Inn. Dyce Centre Point, WC1 Harrogate Conference Centre Royal Garden Hotel, W8

Barclays Bank Interest Rates

BASERATE

Barclays Bank PLC and **Barclays Bank International Limited** announce that with effect from the close of business on 31st August 1982, their Base Rate will be decreased from 11% to 101% per annum. This new rate also applies to Barclays Bank Trust Company Limited.

RATES FOR SAVERS

Bonus Savings and Payplan Accounts. Interest paid is 10% per annum.

Ordinary Deposit Accounts. Interest paid will be decreased from 8% to 7½% per annum.

BARCLAYS

Grindlays Bank p.l.c. **Interest Rates**

Grindlays Bank p.l.c. announces that its base rate for lending will change from 11% to 10½% with effect from 31st August 1982

The interest rates paid on call deposits will be:call deposits of £1,000 and over 71% (call deposits of £300 - £999 61%)

Rates of interest on fixed deposits of over £5,000 will be quoted on request. Enquiries: Please telephone 01-930 4611.



Head Office: 23 Fenciourch Street, London EC3P 3ED

New Issue August 31, 1982 All of these bonds having been pieced, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 200,000,000 9% Deutsche Mark Bonds of 1982, Due 1992



Offering Price: Repayment:

9% p.a., payable annually on September 1 100% September 1, 1992 at par at all German stock exchanges

Deutsche Bank

Dresdner Bank

Commerzbank

Alciengesellschaft Allgemeine Deutsche Credit-Anstalt Badische Kommunale Landesbank Berliner Bank Bremer Landenbank

Deutsche Länderbani Hallbaum, Maier & Co. AG Georg Hauck & Sohn Bankiers schaft Buf Aktie Girozentraio National-Bank Sal. Oppenheim jr. & Cle.

Schröder, Münchmeyer, Hengst & Co.

J.H. Steh M.M. Warburg-Brinckmann, Wirtz & Co.

Bank für Gemeinwirtschaft Baverische Vereinsband Barliner Handels- und Frankfurter Bank

Richard Deux & Co. Bankiers vormals Hans W. Peterser Deutsche Girozentrale Conrad Hinrich Donner

Hessische Landes Landesbank Rheiniand-Pfair Merck, Finck & Co.

Reuschel & Co. Schwäbische Bank

Westdeutsche Landesbank Girozentrale

Bankhaus Gabrüder Bethmann

Bayerische Hypothekan- und Wachtel-Bank Joh. Barenberg, Gossler & Co.

Delbriick & Co.

Deutsche Genossenschaftsbank Effectenbenk-Warburg Handels- und Privetbenk von der Heydt-Kersten & Söhne

R Mathier seel Sohn & Co. Oldenburgische Landesbank

Karl Schmidt Banks

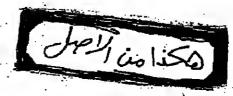
Versine and Westi Aktistoeselischaft

WORLD VALUE OF THE POUND

The table below gives the lettest everage of buying end selling rates available rate of exchange for the pound spaints various custoncies on otherwise. In some cases must 27 1982. In some cases rates have been calculated from the pound of ne direct quotation available; [F] free retes; [P] based on U.S. delier parties and golog starting/deliar rates; [T] tourist rate; [Sas) basic rate; [bg] burring sets; [Sk] baskers ratest (cm] commercial rate; (ch) convertible rate (in) financial rates; (exC) exchang certificase rate; (uc) non-commercia rate; (nom) nominal; (c) difficial rate (sg) selling rate.

PLACE AN	D LOCAL UNIT	PALUE OF ESTERLING	PLACE AND LOCAL UNIT	& STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING
Afghanistan	Afghani	99.00	Green and Denish Kroner	15,015	PortiSol	'oxe (A) 1,290,1
Albania	_ Lok	9,9150	Granada E. Caribbean \$	4.69	PhilippinesPhilippine Paso	14.62
Algeria	Olom	8.04	Guadaloupe Local Franc	12.04	Pitcairn Islands Esterling New Zealand \$	
Anderra	French France	12,04	Guzm 11.5. \$	1.7366	New Zealand	9.3770
		194,11 (ICM) 60,7085	Guetomale	1.7365	PolandZioty -	(Cm)147.91
Angela	Kwanza	i(T) 62.691	Oginea Republic Syll	38,90 68,35	Pertugal Pertugu'se Escudo	148,25
Antigua (5)		4.59	Guyana Guyanese \$	5.2580	Puerte Rico 11.5. \$	1.7565
		. lem) 42,038	Coyana Indinization Coyanoss v	, 0,2000		
Argentina		(fn) 87,816	Hatti Gourd	9.6825	Qatar Qatar Ryal	6,38
Australia (5)	. Australian F	1.7965	Hatti	S.50	Rounien de la French Franc	12.04
AUSTR	Schilling	30.055	Hong Kong H.K. \$	10.475	Romenie Leu	'(Cm) 7.58
	Portugu se Escude		Hungary Feriat	65,47:		(In/c) 18.65
Bahamas	Ba. Dollar	. 1,7366	Pangary Perint		RwandaRwanda Franc	157.51
Bahrain Bajearic Ielee Bangladesh	Dinar	0,660	loeland I. Krona	85,11	St. Christepher . E. Carlbbean 8	4.69
Bandladesh	Spe. resain	38.75	findle ind, Rupee	15.55	et. Helenz St. Helena E	1.0
Barbados	Barbades \$	5.4730	I Indonesia Rupigh	1,145,15	8. Lucie E. Caribbean &	4.69
		((om) 89.40	Iran	148,00(sg)	St. Vincent E. Car bbean	12,04 4.69
Belgium		(in) B6.40	I Iraq u	1.5223	I SELVECOT EL L'AIRN	4.35
Belize	. B	\$,4750 602.0	Irish Republic Irish £ Israel Shekel	1,24725 47,85	Samos American 11 c c	1.7365
Benin	C.P.A. Franc	602.0	Italy Lira	3,414.5	San Marino Italian Lira Sao Tomo & PrinDobra	9,414.5
Bhutan	Indian Roman	1.7350 10,65	Ivory Coast C.F.A. Franc	602.0	sao Tomo & PrinDebra	9,414.5 71,30
		(cm) 76.40				5,96825
Bolivia	. Bollvisti Peso	((F)(A) 173,68	Jamaica Jameica Dollar	3,0958	Senegal	: 602.0
Botswane	. Pula	1.9200	Japan Yen	445.5 0.609	Sierra LeoneLeone	11.46 (90)
Brazil	. Cruzeiro #	528,16	Jordan Jordan Dinar .			2.1571 3.7575
Brit. Virgin Isles	. U.S. \$	1,7865	Kampuchea Riel	9,083,8		
Brune!	artinal a	e.737e	Kenya Kenya Shiffing	19.00		
Bulgarie	Kvet	1,581h 1 3,5259	Kiribati Australian \$ Korsa (Nth) Won Korsa (8th) Won Korsa (8th) Korsa (8th) Korsa (8th) Kuwait Dinar	1.7955 1.68(1)		91,63
Burma	Burundi France	154,085	Korea (8th)	1 297 84	South Africa	1,98625
Samere'n Republic		602.0	Kuwait Kuwait Dinar	1,297,84 0,500e	Territories C A Paris	
Consda	Canadian S	9.1 520			TerritoriesS. A. Rand SpainPesets	1.99625
Cenada Canary Islands	Soanish Pessta	194.10	Lacs New Kip	17,366		194,10
Appo Vorde isle	Cape V. Escude	84.7e	Lebenon Lebenose E Lesotho Loti	8.7985 1.98625	Spanish ports in North Africa Peseta	
Sayman Islands	Cay, is. 7	1.4470	Liberia Liberian e	1.7385	North Africa Paseta	194.10
Jent. Afr. Republic	C.F.A. Franc	602.0	Libya Libyan Dinar	0,6140	Bri Lanks S. L. Rupes Sudan Republic Budan £ 141	36.00
had	. C.F.A. France	602.0	Liechtenstein Swiss Franc	3.64	I SUCCESSION S Couldes	1.5628 3.1083
hile	G. Peso	109.62	Luxembourg Lux Franc	88,40	1 SWAZIJADO I Nanceni	1.98625
olombia	C Reed	e,5e19 (F) 112,93	Manual But all		LOWNDRY	10,58
omoro Islands	CEA France	802.0	Macso	10.75	STREET AND	3.64
longe (Brazaville)	C.F.A. France	502.D .	Malamany Banchija MC Estana	537.50	ayride	(A)10.0
	,	((O) N/A	Madeira	1.9340	Taiwan New Taiwan #	66,00
iosta Rica	Colon	(F) N/A	Malaysia Ringgit	4.0675	TABLESTIA	16,40
uba	Cuban Peso	1,4570	Maldive Islands Rufivas	18.11	T (DANADO Rahe	39.77
yprus	Cyprus &	0.8426	Mali Republio Mali Franc	1,149.0	TOGO ROPUBLIC CE L E	602.0
		(com) 10.80 n/c 18.81	Marta Martesa £	0.725		1.7055
zechoslovakia	Koruna	n/c 18,81	Martinique Local Franc .	13,04	Trinkled Trinkled & Tob. \$ Tunksia Tunisian Oioar Turkey	0.1676
		(CD18,20)	Mauritania Ougulya	: 66.85	Tunisian Oinar	1.05 (16)
enmark	Danish Krone	15,015	Mauritius M. Rupee	. 19.1e	Turkey Turkish Lira Turks & Galgos U.S. 6	259,48
libouti	Fr.	300 (eg)	Mexico Mexican Peso	(F)183,20(4)	Tuvalu Australian \$	1.7365
ominica	E. Caribbeen	4.69	Miqueion C.F.A. Franç	i(P)85.35(5)		1.7955
ominican Repub.	Dominican (Peso).	1,7565	Monaco French Franc	602.0	Uganda	· 165.0 ·
cuador	Crissia	(10)57,65	Mongolia Tugrik	12.04	Tillited StatesU.S. Dollar	1.7385
	arut e	(F) 87.00	Montserrat E. Carlbbang S	(0)5.59(1)	Uruguay Uruguay Pero	(cm122,45
gypt quatorial Guinea	Egyptian =	(U) 1.445	Montserrat E. Caribbean S Morocco Dirham	4.59 10.45(sg)	Illes amb 5-innertice	#11n:22,45
quetorial Guines	Eichelo	8,885	Mozambique, Metical	52.55	Utd. Arab Emirates U.A.E. Dirhem	5.37075
thiopia	Ethiopian pirr	(P) 8.5400	Nauru Australian Dollar		U.S.S.RRouble Upper VoltaC.F.A. Franc	1.2569
alkland Islands	faikland is & .	1,0	Nepal	1,7955	THE TOTAL	603.0
aroe islande	Danish Krote	**************************************	Netherlands Guilder	22.85	Vanuatu Vatu Vatican Vatican	170.30
ji isinds	FUIS		RetherlandAntilles Antillan Gulider	4.705	Aust. Dollar	1.7955
nlandbnsin	Markica	0,1040	New Zealand N.Z. Dollar	3,1083	Vatican	2,414.5
ance	Prench Franc	12,04	Nie sragua Cordoba	2,3770	A A MANAGEM	7.47
renghC'tyin Aff	G.F.A. FILING	602.0	Miger Rapublic C.P.A. Franc	17.40	VietnamDong	11013.7755
ench Oulans	TOGST ALTER		Nigeria Naira	602.0 1.179783(sg)	Minnin Island II o	i(TA,111-1)
rench Pacific Is		200 ISS	Norway Norway Krone	11 40	3 1-10-10 0-9" D'9' DOJEL	1.7366
bon	C.F.A. France	900.0		11.49	Western Semon Samoon Yele	
rmany (East)	Dalasa .	7,00	Oman Stillate of Rial Omani	1,506	I Y SDYORD (WYN) Promi	2.13
of their (ESE()	Deutsch Verste	4.2925	Pakistan Pakistan Rupee	20.95	FICHION (SER)	7,97(ag)
ormany (West)	Denizion Melik	4.2925	Panama	20,95 1.7365	Yugoslavia	(A)0,5960
braltar	Cibre No. 6	4.84	Papuan, Guinea Kina	1,3120	Zaira RepublicZaire	85,9844
6666	Description :	120.754	Paraguay Guarani	(O) 219,24	Zambia	10,174867
				(F) 274,40	ZimbabwaZimbabwa \$	1,6425

"That part of the French community in Africa formerly French West Africa or French Equatorial Africa † Rupses per pound, ‡ General rates of oil and from porty 72.85. "Frata is the transfer merical (controlled). ‡‡ Now one official rate. (U) United rate. Applicable on all transactions except countries having a steral agreement with Egypt and who are not members of IMF. (§) Based on gross rates against Russian rouble. (1) Parallel exchance rate for essential imports and transfer. (3) Expential goods. (4) Fleeting rate. (5) Preferential rate for priority imports such as feedestors. listeral agreement with Spypt and who are not mambers



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NEW YORK	Aug. Aug. Stock 27 26	Stock 27 26 Stock Aug.	* TT/_ III ()	or A m	4 1
ACF Industries 614 31 Columbia Gas Combined Int	284 29 Gt. Atl. Pac. Tez. 83e 84e 217; 221e 274 Gt. West Financi 151: 153 154 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	COM	Wall St		
Avx Corp			WALL STREET was low at 1 pm, With the Dow Jones Industrial by Average off 4.7 at 887.55. Declines Company led advances by two to one, and "	rage gropped 51; to 541, week	exceeded buying to the deficit of FFr 8.94bn for July ecoded August 20 for the consecutive week, said the Stock Exchange. How-
Ahmanson [H.F.] -49 2956 Conrac Cong Edison	30 ⁵⁴ 30 ⁵⁴ Hall 1F8)	Core McCmrk 15 15 9hall Olt	volume was shout 39m shares. M 814 Analysts said investors were 214 worzied 2bout possible increases it	ining I to \$131. ever. Neranda, off 1 at \$151, said sharp, expected to resume foll con- in the	pet selling narrowed Belgian share prices were y to Y300m from Y31.3bo steady, but foreign share prices were mostly lower in moderate trading with investors cautious
Alberto Culv	7) 1778 1814 Harris Sanop 9884 2512 N 412 415 - Harris Corp 9888 9612 H	abisco Branda 5214 3514 alco Chem 24 2414 Simplicity Patt 1 714 1	the outlook for the U.S. economy. Ca However, stocks were above their Oc	tober. Workers were returning Sha work yesterday after accepting	many after fails on Wall Street. re prices fell sharply in Milan
Alexander & Al. 251s 24 Allegheny int. 2016 2016 Contil. Group Contil. Blinois 341s 35 Allied Corp. 282 2834 Allied Stores 2834 Contil Teleph Control Data 165 Alpha Ported 16 15	164s 154s Neinz (Hdj	gt. Dist. Ghom 221g 2254 Smith Kline Beck 6712 6	75. fall 63 points in heavy trading No. 214 after the market opened. The 715 New York Stock Exchange Com- th 12 posite index eased 0.51 to 65.72. po	oranda's contract offer. Montreal stocks were lower as boo over, e Composite Index fell 2.21 euts. July 10 271.26 on volume of crimus	d market essinest spilled Last week's interest rale alled to provide further Rinascente continued to climb
Alcos 271s 277s 51ls 52l2 Cooper inds	Hewlett Pkd 4878 49 N Hilton Hotels 52 5578 Hitachi 3438 2434 H	nt. Semioductr. 185a 1812 Southeast Bankg 17 at. Service Ind. 28 277s Sth. Cal. Edison. 357s at. Standard 65s 814 Southern Co 142s 25ch. Section 142s 25ch. Section 142s 25ch. Section 142s 25ch. Section 142s 25ch.	44s Criton rose \$5\$ 10 \$45\$ ofter it di 43s accepted an increased bid of U1 6 \$46 per share from Dyson an	8.260 shares. Among the in- How cee, Oils felt 7.39 to 491.46, higher tillities dropped 1.29 to 205.32 that it d Industrials retreated 2.36 to DM 1	ever, AEG closed DM 1.70 Standa firmed on runours that at DM 33 on rising hopes Montedison might cede control and that there might be manage-
Amerade Mess. 213 221s Corning Glass Am, Airlines 434 44 Cox Broadcast's 44 45 Corne Messes Am Broadcast's 44 45 Corne Grane Corne	5104 5168 Hollday Inns 3056 3034 N 3914 51 Holly Sugar 3718 5718 Holly Sugar 5118 3314 N	R. Southlands	541 to \$59. The board of Martin Marietta is meeting today to de decide whether to accept to	5.90. The Vancouver Exchange infell D gentleman series of 2.28 at \$11.15 on Banks.	ment Electricals, Slemens M 220 to DM 22290. In Deutsche fell DM 5.20 M 253.80, Commerzbank meot chapges. Ambroslano-owned Banca Cat- tolica del Veneto and Centrale rose among Financials.
Am. Cyanamid 301. 303. Crown Cork	2514 9548 Noover Uni. 1819 1914 1814 1814 1814 1814 1814 1814	wmont Mining 41 42 42 8 Squibb 384 384 38 994 38 00 Brands Paint 994	received favourable Press com-	Cokyo Drèsdi The C Share prices were mixed points	or DM 118.30. and ser DM 2.30 to DM 118.70. Shares were mixed on lack of to 668.6. Shares were mixed on lack of buying support after a steady
Am. Home Prod. 344 345 Dark Am. Hosp. Suppy 344 345 Dark & Kraft	67 6734 Hughes Tool	T	The bulk of issues were still as lower, with AMP off 31 to \$54], set Jim Walter \$31 to \$18, Home-set	investors adopted a "wait-and- moder." attitude in view of the yen's back against the dollar and credit	estie bood prices fell oo opening in selective moderate trading pressure after sweek close in the U.S. markets and the dollars to 621.86.
	Nusky Oil	orthgate Exp. 336 310 Stokely Van K. 295, 9	\$1; to \$37;, Raymark \$1; to \$7;, rat Teledyne \$1; to \$94;, Sohio \$1 day to \$30; and Trane \$2; to \$25; fell United Carolina fell \$2; to	e trends, dealers said. Sator- ys trading had brought sharp is. The Nikkei Dow Average shed Shar	d strength, dealers said. Stockholm Stares closed weaker on large turcover in the abscoce of fresh factors to motivate buyers. Indus-
Ametekinc	3946 5946 Imp Corp Amer 918 958 No	rest Steel W	changed at \$191. First Union 120 the said it had decided not to pur- the sus its takeover bid for United 530	change index disped 1.05 to on Wal .06. Issues related to the added	in reaction to recent trials were mixed. In Banks, and Friday's lower trend Skandinaviske Enskilda Banken I Street, dealers said. They eased SKr 3 to SKr 219, and that the recewed strength Svenska Handelshanken shed
Anheuser-Sh	1242 1243 Intel 3454 5614 Oct 5216 5215 Inter First Corp. 2014 1978 Oct 5216 5216 Interfake 2714 2714 Oh 5216 4518 4528 Inter North 2378 2418 Old 5216 5216 Oct 5216 5216 Oct 5216 5216 Oct 5216 5216 Oct	den	of its offer. THE AMERICAN SE Market felt. Value index lost 2.15 to 273.26. me der	ns, such as Oils and Foods, attract slightly, although non-ferrous bad er to tak nand.	dollar and the continuog on of dollar investments couraged many investors funds out of the Swiss Shares fell marginally on low
Armistong Ok. 1924 834 Dow Chemical Asarco. 94 23 Dow Jones Ashland Oil 2856 2656 Or. Pepper Atlantic Rich 3834 3735 Or. Pepper	24 2436 4134 4134 15 15 15 15 16 16 16 16 16 16 16 16 16 16 16 16 16	10 Edison	Canada Y8 Stocks fell sharply in Toronto Ma	Payets Motor shed Y15 to Early 22, Nissan Motor Y11 to Bank of S2, Poshiba Y3 to Y318, Corpor isushita Electric Y10 to Sales	s lost ground, with Union Theorem in Sydney. Traders I Switzerland, Swiss Bank were unwilling to commit them selves in the face of uncertainty Colleges all representation over U.S. interest rates, brokers
Auto-Oata Prg 245e 3446 Avco	7634 79 Intl. Paper 4136 4214 Ph 20 2014 Int. Rectifler. 277 2678 Int. Tel &-Tel 277 2678 Irving Bank 2778 2634 Pau James (FS) 22 2214 Pau	N Group	Strest's concern over the direction of interest rates. The Compatible position of interest rates off 14.6 et to 1.571.5 on turnover of 2.78m	to and sumitomo metal 12 Fischer Y133.	lik Renum Ravari Smisar ICH 1.3 DOING 10 481.8.
Baker Intl 22 25 Easco. Batt Oas & El. 2814 £915 Eastern Airlines. Ben Cal. 1556 19 Eastern Gas & F. Bangor Punta 1615 1416 Eastman Kode k. Bank America 1676 1711 Eastman Kode k.	1714 1758 Jim Wetter	m Beach	All 14 of the major indices lost YS ground.	to Y137, Mitsubishi Electric dealers to Y261, Canon Y9 to Y841, wasaki Heavy Industries Y2 Y160, Sony Y10 to Y3,380,	said, Among Golds, GMK was 20c down at AS5.30, Central Norse- tnan fell 10c to AS6.10 and Poseldon shed 10c to AS2.90, Oit
Barker st N.Y. 5514 544 Eckhard szct	21 3134 Joy Mnf	Second	America were not available Y88 for this edition.	5. modera	prices were mixed in and Gas stocks were mixed with the trading, Friday's news Santos off 4c at A\$5.16 and easthally adjusted trade Bridge down 6c at A\$2.74
Beatrice Foods	934 978 524 5278 Kaiser Steel	ples Energy 83 85 Trans	CANADA BELGIUM (AUSTRALIA Price + or Aug. 30 Aust. \$ Aug. 30 Yen
Both Steel 185 18 Esmark Ethyl	1978 1934 Kennametal 261s 251s PRI 4536 4536 Karr-McGee 29 29 Phi 2638 256 Kidde 2014 2014 Phi 9 9 Kimberly-Clark 5319 6414 Phi	er 6236 6216	AMCA Intl	4,750 +195 ACF Holding	-1.2 AHZ Greup 5.42 -0.85 Kubota 529 -5. Acrew Aust 1.50 Kumaga: 383 -5. August 1.50 Kumaga: 383 +40 Lon 1.50 Lon 1.50 Lon 1.50 Lon 2.549 -8 Aust Cons. Ind 1.22 Market 720 -15 Markte 1.50 Lon 1.50 Markte 720 -15
Block HR	2614 2878 Kropher 734 84 Pill 1914 1734 Kroper 734 89 Pic 1754 Kroper 74 1734 819 Pill 1754 Kroper 75 1012 1076 Pit 1756	Description 1512 1512 1513 1514	Alcan Alomin 2654 2654 30fina 2676	1,795 - 30 AMRO 38.2 1,2550 + 5 Bradero Cott 154.5 8,300 + 50 Bookati West 57.1 3,500 - 10 Buhrmann-Tet 29.4 25.5	Aust, Hat, Inds. 2.05 —0.04 Marudal 577 +7 +7 +0.2 Bank Hsw 2.48st —0.51 MEI 1.070 —10
Brockwey Class. 1498 Fed. Dep. Stores	2058 2019 Poi 034 034 4058 Pro 2059 2059 1 0000 1 00 1 00 1 Pro	889y 891g 891g 870id 891g 870id 891g 870id 891g 870id 891g 870id 8	Bell Canada 181s 18 Bow Valley 187g 135g BP Canada 261g 2614	Elsevier NOU	-5 Bond Hidge 1.05 M*bishl Bank 500 Solidari
Brown & Sherp	1112 1113 1114 Levi Straues	Serv. E & G. 2236 2212 Untd. Brands	12 8. C. Forest	Price + or \$ Hunter Douglas 8,1 17,9 17,8	0.1 8runswick Oil 0.15 Mitsul Co. Sec.
Bucyrus-Erta	1614 1678 Lockheed 6014 6015 Gut 6014 6015 Gut 6014 6015 Gut 1534 1534 1534 1536	Dan Packers	332 -2 Ned Mid Bank 106.1 -	O.5 Cluff Oil Aust) 0.55	
CBS 444 4534 lat Penn. 551g 641g Fisons CSX 444 451, Fisons Fison	534 534 Lowenstein 26 25 Rec 534 634 Lubrizol 1758 1578 Rec 2034 2114 Lucky Strs 144 1458 Rel 2114 2154 M/A Com. Inc 18 173F Rep	ding Sates 15 131s 131s 141d, Technolgs 471d 45 451	Gan Tire	213 —2.4 Rijn Schelde 21 - 210.2 - 210.2	0.2 Dunicp 1.01 Hippon Yusen
Canal Randolph. 2814 38 Forton Wheeler Can's Pactific	2736 28 MGA	ublig Steel 17½ 1758 ch Cottrell 11¼ 18 ort Intl A 18½ 181 Virginia EP 15½ 140 Vulcan Matris 41½ 40	Coseka Res	122	0.2 Hartogon Energy, 1.85
Carter Hawlay 124s 151s GTE Dorp	3034 5136 Manvilla Corp 9678 2658 Rev Marine Mid 1819 1678 Rev Marriott 4138 4214 Rev	are Copper 83 83 Walker (H) Res 154 15	Dome Mines 1154 191 ₈ Superfox 3	Vm/ Stork 46.1 46.1 46.1 56	0.1 Leonard Oil
Gentex	557g 594 Martin Mitta	Waste Mangt 4514 4514 Waste Mangt 5914 527	Falcon Nickol	Price + er Aug. 50 Price +	Myer Emp
Charter Co	3512 3518 445g 461g 455a 477g Roin	Western Airlina Sis 41 Western Airlina Sis 41 Western With Am Sis 9 9 Western Unien Western Western Wise Sis S	Nollinger Argus. 95 25 Emprunt 423 1 Emprunt 72 18 Emprunt 72 18 CNE 72 CNE 72 LNGson's Bay Mag 161 181 Art Louide	975 1.868 4 75.77.765 -100 Assleur Gen	Otter Expl
Chicago Pneum. 12 1212 Gen Tire	5514 552	an	indal	144 + 0.6 Oredito Varcsino 5,100 + 452 + 15 Flat 1,730 + 721 + 2 Finsider 31,4 1,7446 - 14 Invest 2,445 + 1	145 Santos 1.68 Tokyo Elect Pwr. 820 -29
Circinnati M0	778 1814 MoGraw-Hill 65 5578 9FN 118 2178 MoLean Trukg 175e 175e SPS 712 48 Meax	25 25 25 25 25 25 25 25	Mac Bloede	535 -12 Montedison 105 + 105 138.5 +10 Divetti 2,475 -138.5 +15 Pirelli Co 2,530 + 151 -8 State Viscose 1,532 + 1511 -8 State Viscose 1,719 + 1511 -8 State Viscose 1,71	
Glorox 1465 1475 Goodnan (87)	1/s 917s Mellon Natt 551s 831s St. P. 61s 2534 Melville 511s 215s 2t. R 414 26 Mercantile Sta 735s 74 Sanb 61s 56 Merck 743s 74 Sanb 22u 493s Merceltit 643s 643s 5che	aul Cos	Mitel Corp	78.5 -1.9 107.9 -0.5 43.2 -1.1 11.193 -7	
Colf Inds 28 271, Grainger (W. W) 45	Merril Lynch 5579	PRICE CHANGES	Nrnr. Telecom	52.4 -1.6 212 +2 967 +1 Aug. 30 Price + 1,472 -10 Krener -	HONG KONG Aug. 30 Price + er Rand - Aug. 27 Price + er Apercom
NEW YORK	1982 Since Cmpilitin	Latest prices Chinge Year on. ego High Low	Power Corp. 11 103, Matra Guebec Strgm 5.95 4.05 Moet-Hennessy. Ranger Oil. 71s 714 Reed Stanhs A., 11 11 Perrier	765 3 Greditbank 152.5 + 0 54.1 + 0.6 Elkem 45.6 45.6 45.6 45.6 45.6	5 Gheung Kong 10.9 +0.7 Anglo Am Cold 81 -5.5 Anglo Am Prep 1.30 Anglo Am Prep. 2.75 Anglo
	2.41 776.32 1051.76 41.92 METALS Aluminium. (51 (12:6) 1111/175) (2/7/62 Aluminium. Free Markets c.l.f		Royal Bank. 227s 225s Peugeot-SA	103 -0.6 Storebrand 113.0 1 123.	Hang Seng Bank: 62.5 +0.7 Buffels
77an=port. 549.82 351,94,347.27 358.95,567.31 524.04 588. Utilities 114.25 115.82 115.49 116.31 115.22 115.35 118.	1872 447.58 12.52 12.5	2808.5 -20 £972.25 £903.76 £711.7 £ £908.5 -21.6 £944.5 £871 £683.5 £829.6 -20.75 £965.6 £899.5 £705.5	Steel of Can. A. 1918 19 Skis Rossignol Telemech Elect	755 +11 Aug. 30 Price + 6 Kroner —	Jardine Math
	Gold per cz	### ### ##############################	Toronto Dom Bk. 265r 98t4 Trans Can Pipe 2016 2018 Trans Mntr. Olid. 716 Walker(H) Res 1956 1856 Westooast Trans 151g 151g Weston (Geo) 52 Aug. 30	ASEA (Free)	WhoelockM'time 4.00 Rennies 4.10 -0.36 Rustenburg 4.6 -0.2 Sage Hidg 2.45 SA Brows 4.3 -0.2 -0.2 SA Brows 4.3 -0.2 -0.2 SA Brows 4.3 -0.2
Indust I div. yield \$ 5.48 7.08	7.13 5.01 Free Market per oz. Guleksilvet (75 ibs) Silver per oz. 5 months per oz. Tin cash	3355/365 6 9423/450 8415/420/8350/360 473,05p +45,40 496,20p 473,05p 285,10p 484,65p +46,35 513,70p 484,35p 294,00p 473,465 +430 £8133 £8886 £5480	AEG-Telef	Dm. — Electrolux 8	5 Tongaat Nuletts., 7,20 -0,65
Mindust'is 130.75 152.52 181.92 128.57 129.58 125.90 137		\$114.23	AUSTRIA BAYET-Nypo	211	Amada 461 -11 Asehi Gless 464 Bridgestone 435 +3 Ganon 841 +9 Clitizen 286 -3
Indirect of which is Aug. 25 Aug. 18 Aug.	(1) 1328 (28/1780 (16/62)) 12. 11 Year ago (approx) 6.28 5.07 Maize French	2108,00 ±+0.06 £108,20 £111,80 £109,50	Aug. 30 Price 4 or Commerzbank Creditanstait 212	118.3 —2.7 St Kopparberg 862 —3 47 —1.5 Sven Hondelson. 102 —1	0 al el
Long Gov. Bond yield ,11.08 12.05 13	7.14 8.94 WHEAT Futures	£114,93† 0.40 £102.26 £184,40 £107.80 £115.00 £115.50 £115.00 £5,800 £5,400 £5,400 £1,560	Perimoser	7253.8 -4.2 1867 -2.5 178.6 -4.5 SWITZERLAND	Eisal
NY. S.E. ALL COMMON 1982 Inques Traded	ises and Falle Aug 27 Aug 26 Aug 25 1 983 1,882 1,968 1,016 1,168 1,289 Groundnut 5%	\$1,865v - \$1,900 \$2,000 \$1,000 \$1,000 \$1,800 \$1,476 \$1,140 \$1,850 \$51,476 \$1,140 \$1,47	Hapag Lloyd Hosenst Hosenst	48 -1 Aug. 30 Price Frs. 31.5 -0.7 Alusuisse 417 -4 11e -1.5 Grown Bovari 318 845 -20	Oren Cross
87, 26 25 24 High Low Rass High Low Rass High Low Rass High Low Rass Rass High H	560 480 400 Dissect Crids 198 560 1 103 258 198 5 1 6 5 1 6 Separate (U.S.)	3400z +3 8605 3545 3385 3260z - 8360 3556 8363	BELGRIM/LUXEMBOURG Kall and Sals	157.5 -2.2 Cibs-Geigy	Honda 748 +1 Aug. 27 Price de or
and not easy set 52, 550 06, 252	High Low Corner Futures Dec	21,187.5 -3.3 2909.5 21,030.5	Aug. 30 Price + or Kloeckner Krupp Linde	61.6 -1 67.1 -1 283.3 -0.7 71 -0.5 Interfood	Kallma 326 +1 Mannesmann OP 2.65
Combined 275.41 272.85 258.77 287.24 516. TORONTO Composite 1588.1 1588.5 1582.8 1556.5 1856	G.S. (4.7) 1852.2 (7/7) Des. Coconut	2470 2580	Beksert 8	71 -0.5 Jaimell 1,395 -6 131.3 -2.6 Stands & Gyr 700 700 700 700 700 700 700 700 700 70	Kao Soap
Change Thursday Stocks Closing on traded price day Critical Service 2 100.503 474 + 4 ATT	Stocks Cleaing en traded price day 695,900 557 - 14 September 19 Sugar (Raw) 7apioca No. I 7apioca No. II 7apioca No. I	252ye —2 E179 £177 £913 £2240y — £229 £246 £913 158p +1 123p 151p 117p	0.8. Inno 9,690 +10 Rosenthel 368 (8rux) 1,388 -2 Schering 5640 -5 Seimen 5,810 -20 Thyseen 1,450 +9 Verta 7,000 -	awu -3 Schindlar(Pt Cts) 250 -2 274 -3 Swisssir 222.9 -2 Swiss Bank 211 -1.7 Swiss Reinsoe 1,005 -16 18.1 -1 Union Mank 22 270 -	Kirin
Mentin-Mark ; \$,120,800 41 1½ Phibro-Sal'n Exxon :	640,400 32% - % Unquoted, (2) Made	eascar. (e) October. (t) November. (z) September. (u) September-October. • Hominal. § Ghana cocos.	htsroom 1,450 +9 Verta	270 -1 Winterthur 2,160 -10 153,6 -3.4 Zurish Ins. 14,260	suspanded, xd Ex dividend. xc Ex scrip Issue. xr Ex rights. xa Ex all.

The flight to quality

STRONG SIGNALS from the This was graphically follow Bank of England produced the illustrated by what one London rate. desired effect of forciog the dealer described as the flight to Ger dealer described as the flight to quality, with yields on U.S. German, Swiss and Dutch quality, with yields on U.S. German, Swiss and Dutch discount rate cuts, which like the sharply as investors sought a safe refuge.

One-mooth Treasury bill to give some retief to depressed to compared with a one-mooth bank after sharp reductions in the Bank of Eogland's money market dealing rates was not simply an adjustment after the over-

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Bank of Eogland's money market dealing rates was not simply an edjustment after the overenthusiasm of the previous week.

There are a very large number of U.S. banks trading to London, and the problems at home were obviously having an impact. News that Chase Manhattan expects no loss from the failure of the securities dealer Lombard-Wall will help restore some confidence, but the hasic problem of the debts owed to U.S. hanks remains.

Certincale Di deposit tata da variable per ceot, while in London market per veot, while in London market per veot pe

BANK OF	ENGL	AND T	REASURY B	ILL TE	NDER
	Aug. 97	AUB 90		Aug 27	Aug. 20
Bills on offer Total of applications			rate of discount		
Total allocated Minimum	£100m	£100m	rate of discount Avorago yield	9.9179% 10.15711%	5.9894% 10.25%
Alfotment ot	£97.51%	£97,506	Amount on offer at next tender.	£100m	£100m

LONDON	Aug. 27	change	NEW YORK	Aug. 27	оралов
Base rates 7 day Interbank 3 mth Interbank Treasury Bill Tondor	9.9175	— ½ — 15 — 0,719	Prime rates Federal funds 3 mth Treasury Bills 8 Mth. Treasury Bills	131 ₂ 10-104 7.56 9.24 10.05	-1; -1; -0.84 -0.99 -1.35
1 Mth. Bank Bills	101g-1014 101g-1014	5g lg lg Unch'd Unch'd		8.00 8.40 8.40	-1 -0,30 -0.80
TOKYO One month Bille	101g. 10 12 7.09378 7.54575	Unch'd 0.5125 Unch'd	PARIS Intervention Rate 1 Mth. Interbank	141, 193, 143,	Unch'd
	.1334 137 ₂		MILAN One month Three month	1814 18 ₁₃	——————————————————————————————————————
AMSTERDAM Dire month Three month	7 ; } 7 ; }		DUGLIN Ons month Three month	137g 151g	_110 _116

end 1 bills mature in up to 14 days, band 2 bills 15 to 33 days, and is 34 to 63 days. Rates quoted impresent Bank of England buying one with the money market. In other centres rates are generally deposit

FT LONDON INTERDANK EIVING

blg 11 13118

MIERDANI	N FIXING
ठ months U	S. dollare
PIG10 19118	offer 10 15/16
6 months U	S. dollara

offer 11 15/18

Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de

LONDON MONEY RATES

	Certificate of deposit	Interbank	Authority deposits	negotiablo bonds		Company Deposits			Bank Bills &	Trade Bijis ø
ernight		9-1156	11	_		114	9-111 _a			-
ays notice	_	_	114		_		l — ~	1 – 1	 - j	_
ays or	_	_	_ `	_	_	l 1	. — i	i. — i	- 1	-
ays notice		11-114	114	_	_		1012-1034		1	_
e month!	10/2-20/2	10 11 11	11	1150-114	114	114	1012	10,1	10%	11,3
o months	10 10	1034 1072	1034	1112.1118	107a	[~]	1012	10	107s	11"
ree months.	104-1012	10 -10	1056	114-10%	10H	. – 1	10	10 1	10+ . /	105
months	107-104	10 - 10	1012	978-956	10/4	_ !	_ i	~	97a	1012
	10 7 10 % i	10:4:10:4		1062 104	10 11	l ~ 1	- 1	1	_	_
		10 10 1	1032	1012-1014	1011		<u> </u>	_		***
o years			107g				- 1	~	-	
	II. " o-habe 4.	And 1 Table 1884		the second	ئىمىيلىلىنىدىنىدىن	-	في مين من بيس	نيادا ورسوا		-
ECGO Fixed	Ram Stedi	no Expert F	Inance, Sch	name IV Ave	rece Refere	nce Rate	or interes	t pariod 1	9 July to	3 August
(inclusive)			,							

Approximate eeting rate for one month Treasury bills 10% per cent; two reanths 10% per cent and three months 30% per cent. Approximate salling rate for one month bank bills 10% per cent; two months 10% per cent and three months 10% per cent; one month trade bills 19% per cent; two months 10% per cent; three months 10% per cent. Finance Houses Association) 13 per cent from August 1 1952. London and Scottish Clearing Sank 9ase Rates for lending 10% per cent. London Clearing Sank Osposit Retes for sums at sevan days notice 7%-7% per cent. Tiessury Sills: Average tender rates of discount 9.9176 per cent. Certificates of Tax Osposit (Series 5) 11 per cent from August 18. Osposits withdrawn for cash 9 per cent.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Aug. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Gullder	Swiss Franc	D-mark	Franc.	Italien Lira	Belgia.	n Franc Fin.	Yen	, Krone
Short term	1034-1078 1034-1078	914-93; 917-93; 10-104; 11-1114 12-1214 12tg-123;	143 ₄ -163 ₄ 15-16 143 ₆ -195 ₈ 141 ₃ -143 ₈ 145 ₉ -197 ₈ 141 ₂ -143 ₄	712-734 734-772 778-8 778-8 61e-84 918-313	12.1 5.612 314.332 313.444 414.576 413.516	712-8-12 8-813 8-16-8-12 8-16-8-12 8-16-8-12 8-16-12	14-15 17 ¹ 2-19 ¹ 2 18-20 20-23 19-21 19-21	16-18 1754-1954 2018-2118 9068-2158 2112-22 9158-22	181-1414 13:1434 13:14-14 13:4-1412 14:2-15 14-1412	1354-19 1354-14 1354-14 1354-14 1354-14 1354-14	7-74 713-714 714-714 714-714 715-714 716-716	137 ₈ ·153 ₈ 131 ₄ ·143 ₄ 135 ₈ ·147 ₈ 151 ₄ ·165 ₄ 15-171 ₉

30R linked deposits; one month 10¹¹₁₀-11¹₁₄, per cent; three month 10¹²₁₀-11¹²₁₀ per cent; six months 11¹²₁₀-11¹³₁₀ per cent; one year 11¹₂-12 per cent. ECU linked deposits; one month 12¹²₁₀-13¹²₁₀ per cent; three months 12¹²₁₀-12¹²₁₀ per cent; aix months 12¹²₁₀-13¹²₁₀ per cent; one year 12¹₂-12¹₃ per cent. Asien S (closing rates in Singepore); one month 9¹₂-10 per cent; three months 10¹³₁₀-10¹³₃₀ per cent; ex months 11¹³₃₀-11¹³₃₀ per cent; one year 12¹₃₀-12¹₃₀ per cent; have years 13¹₃-13¹₃ per cent; three years 12¹₃₀-12¹₃₀ per cent; four years 14-14¹₄ per cent; five years 14¹₄-14¹₃₀ per cent; nominal closing rates. Short-term retes are call for U.S. dollars, Consider and Japanese year others two days' notice.

The following rates were quoted for London dollar certificates of deposits one month 9,90-10.00 per cent; three months 10.55-10.65 per cent; six months 11.70-11.80 per cent; one year 11,90-12.10 per cent.

CURRENCIES AND GOLD

Dollar improves

rates including a cut in the Federal Reserve discount rate, and the injection of over Sibo into the New York banking system oo Tuesday and Weddesday. On the other hand the firmer trend in Eurodollar interest rates betped support the dollar, while European currencies tended to ease as the German Bundeshank, Swiss National Bank, and Dutch central hank cut their discount and National Bank, and Dutch central hank cut their discount and other key lending rates. The U.S. currency rose to DM 2.4710 from DM 2.4530 against the D-mark; to FFr 6.9350 from FFr 6.85 against the French franc; to SwFr 2.0950 from SwFr 2.0730 in terms of hts Swiss franc; and to Y236.50 from Y254.75 against the Japanese Y254.75 against the Japaoese yen. The dollar's trade weighted index, according to the Bank of England rose to 120.4 from 120.2. Sterling's index, on Bank of England figures, rose to 917 from 91.5, after touching a 12-month peak of 92.3 oo Thursday.

GOLD MARKETS

against most curreocies last from DM 4.2725; to FFr 12.04 week, despits lower U.S. interest rates including a cut in the Federal Reserve discount rate, and the injection of over Sibo into the New York banking system on Tuesday and Weddesday. On the other hand the firmer trend to Eurodollar and lower UK hank base rates. and lower UK hank base rates.

The Freorb franc came uoder pressure, and required loterven-tion in the foreign exchange market by the Bank of France, and the support of much higher Eurotrane interest rates. The showed a slightly firmer tren-towards the end of the week.

Gold rose \$321 to \$416-\$417
after touching a peak of \$427\$429. Nervouspess about events
in the Middle East, and the recent softer trend of the dollar,
contributed to the rise in the
gold price. But underlying sentiment cootioned to reflect fear about the international banking system. making Government stocks and precious metals very attractive to investors.

THE DOLLAR SPOT AND FORWARD

Aug 27	apread	Close	One month	p.a.	months	p.e.
UKT	1,7325-1,7570	1.7360-1,7370	0,10¢ pm-per	0.34	0,30-0,40dis	~0,81
ireland	1.3910-1.4090	1,3910-1,3925	0.85-0.75c pm	6.88	1,95-1,80 pr	n 6.38
Canada	1.2345-1.2395	1,2390-1,2395	0.39-0.40 dis		0.95-1.02dis	
Nethind.	2.6795-2.7150	2,7070-2,7080	0,50-0,40c pm		1,90-1.80 pt	
9elgium	46.85-47.45	47,43-47,45	14-16c dis		35-39 dis	~3.13
Denmark	8.5420-8.6425	8.6325-8,6425	2-24ora dis		51-8 dis	~2.67
W. Gar.	2.4400-2.4750	2,4705-2,4715	0.45-0,40pt pm		1.75-1.70 pr	
Portugal	84.50-25.60	85.30-85.60	75-175c dts			- 14.04
3pain	110.55-111.45	111.00-111.20	55-65c dis		195-220dis	-7.47
Italy	1,381-1,394	1,3901-1,3911,	72-131 re dia			- 10.05
Norway	6.5750-6.6250	6,6025-6.6125	1.50-1.90 are dis		S.40-5.80dia	
France	6.8500-6.2400	6.9325-6.9375	42,6c dis			- 10.71
Sweden	6.0485-6.1030	6.0825-6.0925	2.50-2.70ore dis		5.20-5.40dis	
Japan	254.00-256.80	256.45-256.55	0.70-0.60y pm		2.55-2.46 pm	
Austna	17,18-17,361	17.301 17.3112	34-2gra pm		11-8 pm	2.19
Switz.	2.0640-2.1030	2.0945-2.0955	1.18-1.10c pm		3.48-3.40 pm	

Belgian rate in for convertible francs. Financial tranc 48.70-49.60.

THE POUND SPOT AND FORWARD

Aug 27	spread	Close	One month	P.B.	months	p.8
U.3.	1.7326-1.7570	1.7380-1.7370	0.10c pm-par	0.34	0,30-0,40dle	
Canada	2.1460-2.1690	2.1515-2.1525	0.63-0.73c die	-3.79	2.05-2.15dis	-3.5X
Nethind.	4.68-4.72	4.70-4.71	13-30 pm	2.55	22-2 pm	1.91
سررواه8	82,00-82.60	82.35-82.45	18-25c dis	-3.1B	75-85 dis	-3.8
0enmark	14.85-15.03	16.001-15.021-	24-3hore dis	-2.40	1014-107sdls	-2.8
bnelet	1.2430-1.2490	1.2465-1.2480	0.56-0.73p dis	-6.20	1,80-2,02dla	-6.12
W. Gar.	4.27-4.3012	4.234-4.294	14-apt pm		25,-21, pm	2.2
Fortugal	147.75-149.25	148.00-148.50	.105.290c dis		245-780dis	~ 13.5
Spain	193,00-194.50	154,00-194-20	65-90c dis	4.79	310-365 dla	5.9
liaty	2,412-2,428	2.413-2.418	19-22!lre dis			- 10.7
Norway	11.48-11.58	11.43-11.50	112-252019 dis	-2.15	912-10% die	-3.52
France	11.99-12.05	12.03-12.05	81-111-c dlo			-12.46
5weden	10.57-10.66	10.57-10.59	81-44-ore dia		912-1012 dia	-3.7
Japan	443-448	445-446	1.56-1.36y pm		3,50-3,30 pm	
Austria	30.00-30.25	30.03-30.08	3-6gro pm	2.99	191 ₂ -127, pm	2.13
Switz.	3.61-3.65	3.63 - 3.64 2	212-112C pm	8,59	51-5 pm	5.77
			francs. Financia			J.,

FORWARD RATES AGAINST STERLING

EMS EUROPEAN CURRENCY UNIT RATES

45.215

0.685679 1332.67

-33.0 +11.3 -18.3 +97.4 -1.8 -15.2 +48.5 +97.3 +26.1 -58.6 +26.0

Changes are for ECU, therefore goalitive change denotes a weak currency. Adjustment calculated by Financial Times.

1,7400 4,2687 12,4150 3,5876 443.15

% changs from central mts

+9.13 +1.04 -0.07 +0.21 -0.77 -1.30

1.7500 4.2485 12.68 3.55 438.7

+0.91 -0.20 +0.08 -0.90 -1.30

CURRENCY RATES

Bank Special Eurogean rete Drawing Gurrency & Rights Units

0,524687 0,539684
1,0989 0,957550
1,18401
18,7977 15,6856
9,33875 8,24451
2,57977 2,35797
2,94851 9,58510
7,54859 6,60949
h.a. 1,332,67
7,20751 5,31985
h.a. 106,340
6,52674 5,82068
2,96884 1,98506
75,6498 68,7987

±1.5501 ±1.6430 ±1.0898 ±1.3940 ±1.5004 ±1.6691 ±4.1359

sade Life Unit Trust Magrs. Ltd. High St., Potters Bar, Herts. P. Bar 5

noor Fund Managers Ltd. (2) repic Way, Wernbley, HAPONS. 07-9028876 on Gorth, Trust... 1044 112-31-40.7 7.1 or Joc. Trust...... 106.0 114.01-40.5 8.00

Carr. Selsag Unit Trust Managers(a)
57/63, Princes St. Manchester 061-236 5685
Carr. Selsag Cap. Fd. 165.1 47.9 +0.3 3.30
Carr. Selsag Far. Each. 151.7 33.7 +0.1 7.99
Carr Selsag Far Each. 122.3 23.4 +0.2 1.87

Cent. Bd. of Fin. of Church of Engineatit 77 London Wall, EC2N 1DB. 01-588 1815 ins. Flurd July 31 190.00 5.90 Poul Int. Secs. July 31 13.75 12.57 Dep. Fool. Qr. Belly 31 13.75

1.7365 4.2925 12.04 3.64 445.50

Six-month forward dollar 1.30-1 40c dia. 12-month 3.25-3.40c dis.

0.891011

120.4 89.0 117.7 94.9 81.6 125,2 146.5 117.4 73.3 53.5 132.1

CURRENCY MOVEMENTS

		Aug. 27		Aug 26			
•		Gold Sullion	(fine ounce)				
	3416-4 3421-4 7xing. 8425-8 n fixing 6418	22 (£240-2	401g) \$416- 08: 8417.	417	(£2351 ₂ -235) (£237-2371 ₂) (£237,594) (£236,388		
·		Dold Co	ins Aug. 27				
Krugmei 1 ₃ Krug 14 Krug 1110 Krug Mapicisa, New Sov	\$422 iq. 424 \$219 iq. 220 iq \$11 234 - 11834 \$45 iq. 46 iq 24232 iq. 424 \$98-9834		King Sov Viotoria Sov French 20s 50 page Mos. 100 Cor. Aust \$20 Eagles	6100-103 5100-103 583 851 ₂ 5498-502 5496-472 \$440-460			

OTHER CURRENCIES

	1		£
	8		Note Rates
42,089	24,160+	Austria	30.00-30.50
1.7945-1.7953	1,0270 1,0280	Belgium	86,50-87,50
335,56-335,65	192.71-193.67	Doomark	14.91.15.05
R 1780-8 1910	4 7020-4 7040	Empe	11.98-12.08
110 96K-129 606			4,2612.4.3012
10 451- 10 481-	6.03.5.04		2390-2440
140 000 TO-1	0.00-0.04	italy	
140.00		Japan	446-451
0.500-0.301			4,5B.4.72
82.35-32.45	47,43.47,45	Norway	11.47-11.57
4.0625-4.0725	2.5595 2.3425	Portugal	147-157
2.3745.2.3798	1.3615 1.3535	Snain	189-201
5 0545 5 9720	3 4390-3 4410	Swadan	10.55-10.65
2 7 205 2 7495	9 1490 0 1090		3.6112-3.6512
9,/000-0,/TEV	11420 11445	SWIEZGLINING.,	
7'AGGA-1'AG\2	2.4TUU-3.4TTG :		1,7934-1,7434
0,00 (U-0,5/40	a.a.t.10-3.6730	TUBOSIAVIA	103-108
	1,7945-1,7955 3,58,56-335,65 8,1780-8,1910 118,965-122,686 10,451;-10,481;-148,00° 0,5000,501 82,33-82,45 4,0625-4,0725 2,3745-2,3785 6,9645-5,9720 3,7395-8,7425 1,9850-1,9875	1,7945-1,7955 1,0270-1,0280 335,565-335.65 192,71-193,67 1,1780-8-1910 4,7020-4,7040 118,968-122.606 68.30-69.50 10,4813-10,4813 68.30-69.50 148,00° 0,500-0,501 47,43-47,45 4,0625-4,0725-12,3595-2,37425 2,3745-2,3795 1,3615-1,3535 6,9645-5,9720 5,4390-3,4410 1,9850-1,9875 1,1450-1,1445	42,059 24,160 Austris 1,0270-1,0280 Belgium 1,0270-1,0280 Belgium 1,0270-1,0280 Belgium 1,0270-1,0280 Belgium 1,0270-1,0280 Belgium 1,0280-1,0280 Germany 1,0280-1,

lal. Financial rate 67,796-67,836 sesinst

EXCHANGE CROSS RATES

Aug. 97	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	0.575	1,767	4.293	448,5	12.04	3,540	4,705	2415.	2.152	82,40
U.S. Dollar		1.	2.478	256,6	6,933	9,095	2,709	1390.	1.239	47,45
Deutschemark	0.233	0,405	1.	103,8	8,805	0.848	1,095	562,5	0.501	19.20
Japanese Yen 1.000	2.245	3,898	9.635	1000.	97,03	8,171	10,56	5420,	4.831	185.0
French Franc 10	0,831	1.442	3,565	570.0	10.	3.023	5,908	2005.	. 1.787.	68,44
Bwiss Franc	0,275	0.477	1,179	123.4	3,308	1.	1,295	853.5	0.591	52,54
Dutch Guilder	0,913	0.359	0.912	94.69	9,659	0.774	1,949	516.2	0.457	17.51
Italian Lira 1,000	0,414	0.719	1.778	184.5	4,987	1.508		1 000 .	0.891	84.13
Cenadian Dollar	0,465	0.807	1.995	807.0	5,595	1.591	8,185	1122.	2,512	38,29
Selgian Franc 100	1,214	2.107	5.909	540.7	19.61	· 4.417	5,710	2950.		100,

FT UNIT TRUST INFORMATION SERVICE

=	FI	JNII	IRUS.	LINE	ORM	1110	n ser	VICE
1	3 biney Unit Tst. M 1-3 St Paul's Churchyan High Income Gifts & Fixed Int. [2] High Inc. Equity [40]	ECAPADX 01-23618		THORIS	SED TR	USTS	Midgefluid Jannigers 3 Freshry So. 2024 IPI Income UT	3 SI-30869
	High inc Equity 60 Capital Growth American Growth 64 Convertity & Energy 50 General Jacon 10 Acc Units 55		Craigmount Unit To Bucklersbury, London EC	44 880,	1. & C Unit Trust 1 The Stock Exchange, Lond L&C Inc. Fund	CI-101 I LIA ESE 300	Ruttschild Asset Me	enagement
,	Inv. Tst. Fd	MOLI	Canadan 7mst 47. Not Mount High Inc. 44.	453 +0.3 303 47.40 +0.2 590	Legal & General (Un 5 Rayleigh Rd., Brestwood Smith Ma	oft Tat., Mingres.) Lbd. d 0277 21729 is 221.91+0.91 3.36	Ned Sab. Period *United	angement (a) (a) (
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l	Anthony Wieler Unit 19, Widegate St., Landon, Wieler Gwith Fd. Inc. 35.3 Do. Accum	51 7HP. 01-247 8527 49.3 24	James Finlay Unit Tr 10-14, West Mile Street, Gi J. Finlay Internet's (34.1 Account Units 42.0	A41 994 1991	Constructing 101.4 (Access Units) 122.2 Compound Growth 170.5 Conversion Security 115.5 Conversion (spores 80.5 Dividend 141.1 Access Units) 345.2	THE P ACID 412.	Overseas Panels (2) Europe 7115 Japan 591 U.S. 1101	## 15 K
	Arbuthnot Securities 37, Queen St., Landon, EC Capital Growth	4R 18Y. 01-236 5283	J. Finising teatment, 34.1 Account Units 42.0 J. Finish High Income 37.7 Finish Wild, Conseys 11.4 Account Units 15.2 J. Fleshy Rd. In. 1st. 47.2 J. Fleshy Rd. In. 1st. 47.2 Account Units 57.1 Proces on Aug 25. Me	125 +01 4.42 163 +01 4.41 5.20 614 5.20 at dealing Sept 1	Accum Units) 63.5 Extra Vieto 97.4	27	Sector Punts Commodity 100.0 Energy 100.1 Exportation Fund 121.25.9 Financial Secs	開設は
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Investment Bank of Ireland (a)
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Brentwood, Essex (027)
Ber Bird, & O'ceas. 155.3 59.5
Prices August 25. Next sub. day Septem

Key Frend Managers 1nd. (a)(g)
1/3 Worship St. ECIA 2AB. 01-626625.
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Key Sarah Ca's Fd. 1942 2974 +40 500

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CO's Foi 194.

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20. Feathurd St., Etc.
K.B. Unit Foi Inc. 127.4
K.B. Unit Foi

Reduction

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TSS American 48.7 51.7
E. Actum 48.7 72.5

Golfter Management Co. 11d. 31-45 Grestom Street EC2

Refiance Unit filters, Ltd.
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Retiance He, Tunbridge Wells, Rt. 0892 22271
Bit Balanced*
Doportunity Fund
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Retiance Ut Tis (Acc) 159 B 54.3 +0.2 4.41

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FINANCIAL TIMES

Tuesday August 31 1982

HI HIGGS AND HILL "A better way to build"

THE LEX COLUMN

its wings

Market

Segmentation

& the Cost of

Capital

100 200 300 400 500 600 700 SUDGET---

domestic investors, who cannot

buy overseas securities, and are

discriminates against equities. Yet there is nothing to prevent

foreign investors from rushing

Nevertheless it is clear that

there are important effective

barriers. International investors

require information in a lan-guage (preferably English) which they can understand and

in a form which they are familiar with. They will have their own ideas about capital

structure — for example, British and American investors will not

be bappy with the high financial

leverage which is common in

Novo decided it would have

to break through these barriers.

In 1978 it embarked on a course

which, in stages, has taken it

to n New York listing and access to the capital market on the

same basis as U.S. rivals like

theory and practice of this has

been set out in a new book* by

The essence of the theory

set out in the chart. Projects in declining order of rate of

return are ranked along the

line DD. In an itliquid and seg-mented domestic capital market

the company faces a sharply ris-

ing cost of capital along the line SSd, and the optimal capi-tal budget is only, in this ex-

Genentech or Cetus.

Stonehill and Dullum.

have to slow its growth rate, in to snap up undervalued or choose some other undesir- Danish shares.

Barriers

Denmark

01-942 8921

capital budget can climb still

way of saying that ambitious companies have to be prepared

to move to where the money is,

but Novo bas been impressively

successful in boming in on the

point Ku.
The first step was a con-

vertible Eurobond issue in

1978, boosted by "road shows"

in major European cities. There

was also a London Stock

Exchange listing, and with the abolition of UK exchange con-trols in 1979 British loteress

greatly expanded. There fol-

lowed an equity issue, and with

hiotechnology suddenly becoming fashionable. Navo had become an international

Then it was un to the U.S. ir earnest, with seminars, the hi

of Goldman Sachs

dvisers, a quote on the ove

the-counter market, and in Ma

1981 a U.S. share issue and

New York Stock Exchange lis

ing. At the present time.

much as 80 per cent of the . stock may be held ontside Dep-

mark, although the Novo Foun-

dation in Denmark remains firmly in control with 56.3 pe

cent of the total votes thank

to its ownership of the A stoc!

fronically. Novo's share price is now performing even better

then that of many of its U.S

rivals, whose glamour has faded

a little. Novo is a company with a track record and a broad

range of products on the man

ket, whereas with some of the

U.S. biotech stars the concept

has run some way shead of the

of Novo? It is tempting to say

that it is such an exceptional

company that emulators will

follow it at their perit. Other less successful examples of cu.

panies tapping foreign markets range from whimsical Van-couver-based oil exploration outfits to the languishing Vita-

fron, a Dutch technology share

listed in London.

to, say, 300. Best of zil, how- Capitel in Theory and Prac-

gain access to the integrated national policy implications international capital market. Arthur I. Stonehill and Kare B. The curve S'Su not only starts. Dullum. To be published shortly

down. This means that the profits will

No capital gains tax. No VAT. Even the

comes out of our jobbers turn which

averages only 1% of the total value of the

And when you take a position with

us, you make only a 15% deposit on the

total value of your bet-which means

you don't have to tie up large amounts

in gold or other futures markets, send

For a cost-effective way of speculating

betting duty will be paid by us and

oe entirely free of all tax. No income tax.

ever, is when the company can the Novo experience

But can any general lessor. be drawn from the case history

glamour stock.

Voting control

This may be just an airy fairy

Chinese party faces purge

BY TONY WALKER IN PEKING

A SWEEPING purge of the sider unsuitable. The Discipline approve changes in the party like Hua Guofeng, the former Chinese Communist Party's 39m Inspection Commission of the leadership structure. Among chairman, were in the ascendthe party's 12th congress opening in Peking today. At the end Acceptance, however, will not he automatic

China's most powerful politician, and supporters have devised an ingenious scheme to plina Commission said in an general secretary, will remain get rid of many party members interview with the Xinhua news the party's chief executive; without going through messy agency at the weekend that expulsion procedures.

ticularly to those, perbaps more than 20m, who joined the party after the start of the Column He added: "Of course and better." Revolution.

According observers the aim of the re-registration procedure is to trim the party, to make it more man-ominous news to millions in the quality of its membership.

Deng and supporters in the

MIM HOLDINGS, the Australian banks

ateel and natural resources company, is raising A\$700m (£398m) for its Newlands-

Collinsville coal development in

Queensland with a new tech-nique designed to draw institu-

tions and other money market investors into long-term project

In essence, international banks

will guarantee part of the financing, which will be raised through the issue of short-term

money market paper that can be rolled over continuously for

finance plan

for Gatwick

Private

rail link

Transport Correspondent

SCHEME to create

BR believes that the scheme provides the best hope of improving the Gatwick service.

proving the Gatwick service. Construction has started at the Victoria terminal, where checkin facilities for airline passengers are planned, but BR's financial plight offers little chance that the service will be

improved unless it is allowed

The outline plans will be submitted to Mr David Howell, Transport Secretary, and Sir Peter Parker, BR chairman, shortly. The Transport Department is thought to be

ment is thought to be enthusiastic about the scheme,

but it will be the view of the Treasury on its viability which will determine the outcome.

The Treasury bas been

sceptical so far about other new

plans involving private-sector finance and the railways, pri-ticularly the Channel Tunnel.

because it believes the degree

of infogration would be too

great for the private sector

financial element to be desig-

in traffic at Gatwick materialis-

ing, which in turn will depend

on the second terminal at Gat-

The station at Gatwick bas

been modernised at a cost of

receive Government approval,

it would hope to have the link

working by the spring of 1984.

nated as true risk capital.

access to private capital.

financing for the first time.

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

members is expected to follow party spent at least the past the changes are: year reviewing individual party • Creation of a central advisory membershins.

to reregister in the knowledge are six party vice-chairmen; their Cultural Revolution acti-It appears Deng Xiaoping, vittes would make them unacceptable.

A leading official of the Disci-Expulsion procedures. "after several years of rectifi-Deng has axid many members cation and reconsolidation of Deng has asid many members cation and reconsolidation of but with a reduced role because were not up to standard. China's our party, the main trend in our of the strengthening of the

at a fundamental change for the better in the work-style of by a well-placed our party and there is still a central and to improve the party whose hold on member-

moderate faction of the leader- be one of the most important ship bave manoeuvred for in the party's history. It will unlike the more ambitalent several years towards an exten endorse new outward-looking present Central Committee sive weeding of those they con- economic policies as well as elected in 1977 when Maoists

Instead, a group of banks led

by Manufacturers Hanover will

provide a guarantee facility of

U.S.\$320m against the issue of three and six month Euronotes,

which are akin to a Eurodollar

Chemical Bank is arranging a

U.S.\$200m back-up facility for

the issue of commercial paper

in the New York market, for

which it will act as sole dealer

certificate of deposit

and agent.

MIM Holdings in new financing scheme

heavily to large project financ- tradeable sbort-term asset, cent.

ings in Australia will not have whereas the banks providing to put up the money themsaives. the guarantee and back-up

About U.S.\$520m (£299m) will Money market investors who years. All the loans will have Taiwan, Hong Korea and be raised in this way, so that buy the commercial paper and average margins over Euro
other Pacific Basin countries.

Strengthening of the party secretariat under Hu Yaobang, the general secretary, who will relinquish chairmanship but, as Retention of the Politburg, in spite of reports to the contrary.

secretariat and the creation of the panel of advisers. The congress will meet for ahout a week. It will be followed by a plenary session of the central committee, to elect to newly-constituted

The 1,600-odd congress deleparty whose hold on member-ship is shaky. Gommittee. This is expected to include an overwhelming

facility will themselves assume

any long-term risk attached to

the completion of the project.
A statement yesterday said

MIM and its financial adviser,

First Boston, are also finalising

further conventional loans total-

ling A\$200m in a mixture of

Long-term Credit Bank of

Australian, U.S. and Japanese

Japan and Bank of Tokyo will

be agents for the Japanese

loans, also with a life of 12

committed Euronotes will thus obtain a currency rates of about & per

The congress will approve a panel of party elders, expected draft party constitution to en-to he led by Deng: draft party constitution to en-compass organisational changes of the meeting all members

The Dengists may have calcute to be led by Deng:

Compass a section of the meeting all members

are likely to be asked to related also that many present Abolition of posts of chairmentioned above. Other tasks will be to consider a major register for party membership, party members will not bother man and vice-chairmen—there will be to consider a major general political report, expected to be delivered by Hu Yaobang, on developments in and outside China since 1977.

The report will assess the international situation and domestic conditions in China. It is likely to set down modernisation priorities for several decades. These might include a call for more efforts in agriculture, energy development, and tranaport.

According to a Chinese source the party general secretariat would operate very like one formed in the 1950s under Mr Deng. As with many reforms implemented in the past several years those about to be endorsed the party congress reflect the way things were done at times in the 1950s and 1960s when pragmatists like Mr Deng

and Liu Shaoqi, the former Head of State, were in control. Lcader, Page 14

The project comprises the

development of a new mine at Newlands, expansion of the

existing Collinsville mine, and

building of related port and rail

installations to provide for the production of 6.3m tonnes a

year of steaming and coking

Long-term sales contracts for

90 per cent of the total output

bave already been announced.

with options and current nego-

tiations taking this figure to 98

per cent. The sales are to

customers in Europe, Japan,

Arafat quits after 12 years in Lebanon

By Stewart Dalby and Nors Boustany In Beirut

planned to be a solemn affair. In the event, the scores of journalists and photographers josiling with hundreds of his supporters in the largely destroved port area, probbed the occasion of its dig ty.

toun, Mr Ibrahim Koleilat, has said there will be no surrender of arms until the Israelis with-The situation bas not draw. been belped by statements reaching here that Lietuenant-General Rafael Eltan, the Israeli Chief of Staff, bas said his troops were ready to go into West Beirut and disarm the Muribatoun. Mucb will hinge on whether Mr Gemayel manages to allay Moslem fears over the next few days.

Murray calls for tougher action in health workers' pay dispute BY PHILIP BASSETT, LABOUR CORRESPONDENT

day that the programme or industrial action taken so far in latensified action might lose the
the National Health Service unions the measure of public
over pay must be stepped up support they were enjoying.

Thursday of Congress week. listen to the bealth workers'

privately-financed rall link between Victoria and Gatwick Such a firm, forthright state-Airport, costing about £45th, is ment from a leading figure in expected to go before Ministers the trade union movement-and one usually known for his retiwithin the next few weeks. cance-will give new heart to The plans, drawn up by a working party of Treasury. the health service strikers. It may well also increase moves Transport Department and British Recurring for a separate company of the company of the company and the rest would be subscribed from the company and the rest would be subscribed from the company and the rest would be subscribed from the company and the hy non-NHS workers for widesuread sympathy action on the day of the NHS one day general called stopoage Sentember 22.

Mr Murray, speaking in a radio interview, said. " We have to try to get the Government to listen. The man and woman The company would own the new terminal being built above in the street are saving that the hospital workers ought to get Victoria Station, Gatwick Station, and the rolling stock. It would pay BR for the use of the tracks, while BR would also maintain the rolling stock. a better deal. More and more foctors are saying it. The problem is-how do we get the Government to listen?

MR LEN MURRAY, TUC erument to listen to what must draft a statement on the NHS general secretary, said yester be done." dispute to put to Congress.

day that the programme of in
Mr Hurray schnowledged that This would be used as the

over pay must be stepped up support they were enjoying.
to persuade the Government to He said: "Of course there is a risk of that. But it is a risk we have to take."

Replying to the suggestion from Mr Norman Fowler, Social Services Secretary, that the unlons "cool it," Mr Murray said: "The whole thing would be cooled if Mr Fowler would public occasion.
say: 'I will come to the The General negotiating table, or concilia-tion, or arbitration."

Mr Murray said the Govern-

Government ought now to acknowledge that the hospital workers bave a good case which should be met. He forecast a "tremendous

response" to the NHS dispute from other unions at next week's likely to decide this week in

This would be used as the

It would have the added advantage of obviating emergency motions on the dispute from individual unions, which would preclude the possibility of any differences in policy or strategy emerging at a highly

The General and Municipal Workers' Union and the National and Local Government Officers' Association Cave ment would have to think again. already tabled emergency Everybody made mistakes. The motions, but seem likely to be Government ought now to prepared to withdraw them in favour of a centrally-agreed statement of which most

TUC leaders are also likely to monitor closely talks ex pected on Friday between Mr TUC Congress in Brighton. The Fowler and the non-TUC Royal full TUC general council is College of Nursing, following "We have to escalate the favour of a recommendation ballot of the Government's 7.5 action in order to get the Gov- from Mr Murray that it should per cent pay offer to nurses

TUC plans tighter funds control

BY CHRISTIAN TYLER

THE TUC is planning to bring the huge assets and income of workers' occupational pension funds under close trade union control.

It aims to change the investment policies of the funds by persuading trade unlon member trustees to challenge the orthodoxy of the funds' investment advisers and managers.

Its two priorities will be to limit and eventually reduce overseas investment—which has been greatly increased, especially since the lifting of exchange controls-and to use the funds for UK industrial investment. Long-term capital growth rather than maximum sbort-term rate of return will be the criterion.

Although the TUC argues that all this can be done without The return on a separate Victoria-Gatwick link would depend on the forecast growth violating trustees' existing legal obligations, its bid for funds will be seen by many in the City as nakedly political. The TUC plans are tailored to fit a revamped industrial strategy and State planning system drawn up in tandem with the Labour Party.

An illustration of what would happen if the TUC's strategy is successful has already been provided by Mr Arthur Scargill, president of the National Union of Mineworkers, and a new fellow trustees from the NUM penetration is expected to bave rejected the fund's latest investment plan because it can be swing into a deficit of second to to increase the ratio of invest-

industry. case in the courts, after a clasb between the fund's solicitors and existing holdings.

The TUC's plans are set out in a policy document' published today after several years of con-sultation. Some of the details are still tentative and have to at a special conference of trade union member trustees on

November 11. must press for an initial Investpresent ratios are as bigb as 20 per cent in some cases - which would be reduced as UK opportunities increased. Direct investment in South Africa would be avoided entirely. If necessary, trade union negotiators should demand alterations to trust deeds to make that policy

Trade union trustees should the union's own legal advisers. elso be ready to place up to But the NUM trustees are con- 10 per cent of a fund's assets vinced they are entitled not only to block the disputed placing but also to order the sale of Bank that the TUC and Læbour Party both wanted to see established A further 5 per cent should be committed to local enterprise boards, like those already set up by the GLC and the West Midlands County Council, for investment in local job-saving and job-creating industry.

Self-administered These trustees, it is suggested, funds now control more than £60bn of assets and have at least ment limit of 10 per cent of £7bn a year of new money to their funds' overseas assets— invest. This is as much as the present ratios are as high as 20 total capital investment in UK manufacturing last year, the TUC notes. If insured schemes are included, total assets could be as much as £90bn.

> * Report on Pension Fund Investment and Trusteeship; TUC, Congress House, Great Cortu Russell Street, London WC1.

Continued from Page 1

The balance of payments is

This compares with a forendustry.

the extent of import peneThere has been talk of a test tration was known, and when

The CBI's view of the world expected to achieve a surplus on economy bas also become more pessimistic since its last forecast in May. It now expects no growth in the total output of linsbik.
the OECD countries this year, l.a.Man followed by growth of only 1? per cent next year.

ment placed abroad and with cast of a surplus of £1½bn for World trade is expected to the oll companies, a competitor 1983 predicted in May before increase, by 2 per cent this industry.

This compares with a latter per think year. year, compared with 4 per cent

Weather

MAINLY DRY. Rain later. Temperaturea near normai.

N. Ireland, Argyll, N.E. and N.W. Scotland, Orkney,

Cloudy. Rain. Gales. Dry spells later. Max. 17C (63F). Rest of Scotland, England, Yales, Channel, Lo.M.

Sunny, cloudy with rain later. Alax. 20C (6SF). Ontlook: Rain in the North, dry in the South.

WORLDWIDE

C-Cloudy, F-Fair, R-Rain,

Why Novo spread

During the year 1977 several meetings took place between

two old friends, Professor

Arthur Stonehill, of the Oregon

State University business school,

and Mr Kare Dullum, finance

Danish company called Novo Industri, making enzymes and

pharmaceuticals (mainly insu-

lin). Novo was a small company with big ambitions, but it

suffered the bandicap of being

trapped within a very limited Danish capital market. Could

a theoretical case be made for

internationalising Novo's capi-

plan prepared in May 1977, pro-

jected substantial cash flow

deficits, which were expected to reach DKr 124m for 1978 and

1979 combined. If the company

could not raise funds externally on acceptable terms it would

For a company in this kind of

htgh technology business, a slow-down posed serious dangers. . If

the company failed to exploit

technological opportunities as they became available, others

might. Not only would it lose

out in these new processes to competitors, but its whole via-

bility might be undermined.

particularly as the continuing

research and development requirements in biotechnology

would inevitably be extremely

The competition included sub-

stantial companies such as Eli

the U.S. and Gist Brocades in

that it would be impossible to raise the required funds in Den-

The danger was that by heavily

tapping the small, illiquid Danish capital market Novo

would drive up its cost of

proved that the Danish czpital

market was in some way "seg-mented," or isolated from

Certainly the Danish market

foreign markets.

able course of action.

High technology

Novo's long-range financial

tal sources?

director of a then obscure

MR YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, sailed from Beirut for Athens yesterday after 12 years in Lebanon. His bistoric departure was

Shortly before air Arafat's departure 1,500 a ian troops left Beirut hy roop with their tanks. armoure personnel carriers and he y artillery They were thought to be

goire 10 join the 30,000 or so Syrian troops in the Bekaa Valley in East Lebanon. They numbled through empty streets early in the morning, their pro- have to slow its growth rate, aress unhindered by either Israeli or Christian Phalange troops who centrol the south western part of the Beirut-Damascus Highway.

The remaining force of about 1,200 Syrian troops is due to leave Beiruif today to join the other troops in the Bekaa Valley. At the latest, Syria's withdrawal from Beirut is to be

completed in Wednesday.

More than 9,000 PLO fighters and Syrian troops have left West Beitht. It seems likely that all 12,000 fighters due to be evacuated under the plan of Mr Philip Habib, the U.S. special envoy. Till have left by to-

Habash, the leader of stantial companies such as Eli-xist Popular Front for Lilly and Miles Laboratories in s Mr Nayef Hawatmeb, the Netherlands. These had of the Democratic Front for substantial capital resources at the Liberation of Palestine, their disposal. But Novo's have left West Beirut, attention management and advisers feared has centred on fears of a military confrontation between the raise the required funds in Denhervily armed Moslem militias mark without seriously depress-that remain in the city and either the Lebanese Army or the increasing its cost of debt.

The Lebanese Army is sup-posed to be taking up positions in West Beirut as a preliminary step to disarming all militles.

However, by last night no units had entered the heart of the company to seek to tap over-timely
west belief. There is grave seas sources of capital—to In a more liquid, though place, and if a company is seast any attempts to be disarmed.

There is grave seas sources of capital—to In a more liquid, though place, and if a company is match the multivational nature of its sales pattern by developing a multinational funding the cost of capital—ica.

There is grave seas sources of capital—to In a more liquid, though place, and if a company is really prepared to make the effort, the international capital match the multivational funding the cost of capital—ica. Muribatoun, in particular, will of its sales pattern by developing a multinational funding the cost of capital rises more market is ready to be tapped. policy. But this could only be slowly along the curve SSf and a valid strategy if it could be the optimal capital spend rises "Interactionalising the Cost The leader of the Muriba-

Uneasy peace in Beksa Page 2

OW TO

has restrictive features for lower but is flatter, and the in Copenhagen.

of capital.

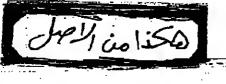
Suddenly gold is back in the news. with a dramatic upturn in trading volume that has had an equally dramatic effect on market prices. These are the kind of conditions in which there are big opportunities for profit from investing in Krugerrands or gold However, the snag for the private

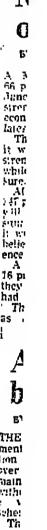
individual is that all the profits from Krugerrands or gold futures investment are liable to income tax of up to 75%. The solution to this problem is

We're a highly specialised bookmaker, the coupon for further details today, and with us you can make a wager that the price of gold will move either up or

To: Christopher Graham, I G Index Etimited, 9-11 Grosvenor Gardens London SWIW OBD, Telephone: 01-828 5699 Prestel Page 48121 Please let me have details of: Commodity and Financial Futures (the Gold)

Stock Market Futures (inc Dow Jones and FT indices)





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rcces induc fallic

fication ir shal price more ing to whole 1952

But I

£15m, which the terminal at Victoria is estimated at £20m. Refurbished rolling stock, with specially designed luggage vans,

permanently coupled to an electric locomotive would be used on the link.

The plan is that the new company would set its own fares, running a service every 15 minutes. BR recognises that the present Gatwick service and some of the rolling stock are not says know. If the plans

wick going ahead.